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No. 2574

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17 September 1982

## LATIN AMERICA REPORT

No. 2574

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## POWER COMPANY PLANS INCREASED USE OF NATURAL GAS

Bridgetown ADVOCATE-NEWS in English 5 Aug 82 p 1

[Text]

There are plans by the Barbados Light and Power Company to increase its use of natural gas.

Over a year ago, the company installed its first natural gas burners, which, according to BL&P Managing Director, Mr. Frank McConney, enables the company to use more than ½ million cubic feet of natural gas per day.

Mr. McConney said this was equivalent to 10 per cent of the company's requirements.

"At the moment we are getting less than 100 per cent cubic feet per day. We have the capacity for more", Mr. McConney said.

He added that the Barbados

Light and Power Company has almost completed the installation of its new diesel equipment, capable of using the cheapest fuel available on the market.

"You can do nothing with residual fuel other than burn it...so this means we have an alternative...we can use natural gas or the cheapest fuel on the market", Mr. McConney said.

The company's increased use of natural gas could mean the saving of valuable foreign exchange for Barbados.

A week ago the Barbados Government announced its purchase of the drilling and production facilities of the American Mobil Corporation.

CSO: 3025/416

## PETROBRAS CONFIRMS NEW OIL FINDS IN CAMPOS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Aug 82 p 7

[Text] Two oil fields, with recoverable reserves totaling 12.45 million barrels, have just been confirmed by PETROBRAS [Brazilian Petroleum Corporation] in the Campos Basin. Designated Parati and Pirauna, they bring to 16 the number of existing fields in that geological area, which measures 31,200 square kilometers.

The Parati fields was discovered in 1980, with the drilling of Rio de Janeiro Underwater Well 110. It is located 12 kilometers northeast of the Bagre field, in an area 100 meters deep. Tests at the well have yielded 3,900 barrels per day, which led PETROBRAS to decide to install an accelerated production system at the site, composed of four wells. The Parati field's reserve is about 2.9 million barrels of petroleum.

Discovered in 1981, the Pirauna field is located between the Enchova and Corvina fields about 80 kilometers from the coast of Rio de Janeiro State, in an area 230 meters deep, which will mean increased production costs because it calls for deep-sea platforms. There are two producing wells at the site; one of them, designated Rio de Janeiro Underwater Well 186-A, yielded 1,600 barrels per day and has a "high production potential," according to PETROBRAS. Two more test bores have been approved, to ascertain the extent of the field. The oil reserves in the Pirauna field total 9.55 million barrels.

In the Campos Basin, currently the country's largest producing area (18.6 million barrels produced from January to July), 276 exploratory wells had been drilled up to the end of June, raising reserve estimates to 886,879,000 barrels of oil and 19.1 million cubic meters of natural gas.

6362  
CSO: 3001/226

## CONSUMPTION OF PETROLEUM DERIVATIVES DOWN 7.3 PERCENT IN YEAR

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Aug 82 p 37

[Text] The country's daily average consumption of petroleum declined from 1,069,800 barrels in July 1981 to 991,400 barrels in July 1982, a 7.3 percent drop. In the same period, daily average national production increased 22.7 percent, while the daily import quota declined 15.1 percent. Gas consumption in July was 15 percent lower than in July 1981, fuel oil consumption was down 13.2 percent and diesel consumption was down 5.7 percent, while consumption of GLP (Liquefied Petroleum Gas) increased 13.7 percent.

Marcio Nunes, petroleum advisor to the Ministry of Mines and Energy, who reported the information, attributed the reduced gasoline consumption to the addition of 20 percent anhydrous alcohol to the fuel, starting on 1 June, and also to the increase of about 10.6 percent in the consumption of hydrated alcohol this July over July 1981. According to Nunes, in July 1981 the addition of anhydrous alcohol was only 1.6 percent.

The substantial increase in the consumption of GLP, which has been observed every month this year, was attributed in part to the illegal use of this fuel by cab drivers, especially in Sao Paulo.

Consumption of petroleum derivatives in the country totaled 33,164,000 barrels in July 1981, as against 30,733,800 barrels in July 1982. The following tables shows the variation in consumption of petroleum derivatives in July 1981 and July 1982 (in barrels).

| <u>Product</u>           | <u>July 1981</u> | <u>July 1982</u> | <u>Variation (%)</u> |
|--------------------------|------------------|------------------|----------------------|
| Diesel oil               | 9,975,600        | 9,409,500        | -5.7                 |
| Fuel oil                 | 7,059,200        | 6,867,800        | -13.7                |
| Gasoline                 | 6,103,000        | 5,185,000        | -15.0                |
| GLP                      | 2,876,300        | 3,269,400        | +13.7                |
| Naphtha and Kerosene     |                  |                  |                      |
| Petrochemicals           | 2,537,300        | 2,610,300        | +2.9                 |
| Asphalts                 | 523,900          | 539,700          | +3.0                 |
| Petrochemical byproducts | 312,600          | 338,400          | +8.3                 |

Of the energy products classified as "other," 5,657,000 barrels were consumed in 1981 and 1,972,600 barrels in 1982. Of the non-energy products also classified as "other," consumption was 1,164,900 barrels in July 1981 and 1,217,600 barrels in July 1982.

## ELECTRIC ENERGY CONSUMPTION UP 12 PERCENT IN RIO, SAO PAULO, IN JULY

Rio de Janeiro O GLOBO in Portuguese 12 Aug 82 p 29

[Text] Brasilia (O GLOBO)--Minister of Mines and Energy Cesar Cals reported yesterday that energy consumption in Rio de Janeiro and Sao Paulo, in the CESP [Sao Paulo Electric Co] system, increased 12 percent in July. According to Cals, this growth is encouraging, since it represents higher revenues for the power companies at a time when ELETROBRAS [Brazilian Electric Power Companies, Inc] has had to resort to a \$200 million loan just to pay off outstanding commitments.

Cals said he did not have the overall data on electric power consumption in July, noting that the figures on the behavior of the Rio and Sao Paulo markets had been handed to him only yesterday. However, the reaction of the southeastern region in July is confirmed by the data on electric power generation (which do not precisely correspond to consumption figures); they show an increase of 8.9 percent, while the country's overall power generation increased 9.5 percent.

This increased consumption could improve the financial situation of companies in the sector, which have been waiting for a rate increase (of about 21 percent) since 1 August. Commenting on the matter, Cals said the Ministry of Planning would reach a decision by 15 August, but it is not yet known when the new rates will go into effect.

According to available data in the DNAEE [National Water and Electrical Power Department], electric power consumption to May increased 2.1 percent, while in the southeastern region there was a decline of 0.4 percent. ELETROBRAS is predicting that consumption will increase 6.8 percent this year.

6362  
CSO: 3001/226

## ENERGY AUTHORITY ISSUES NOTICE TO PUBLIC ON CONSERVATION

Georgetown SUNDAY CHRONICLE in English 15 Aug 82 p 3

[Text]

THE Guyana National Energy Authority has issued a reminder to consumers of the need to continue their efforts of energy conservation, despite the recent Governmental decision to remove the ban on weekend sales of petroleum products.

The notice reads in part:

"GNEA wishes to emphasise that this decision by Government does not imply any lessening of the need for continued conservation of energy—in particular, the more efficient and less wasteful use of gasoline and other petroleum products — within Guyana.

"GNEA wishes to remind Guyanese... that the whole point of national energy conservation is the achievement and maintenance of a situation where energy is used not wastefully but indeed more efficiently throughout this country.

"The idea is not to restrict petroleum fuel consumption merely for its own sake or in order to heap unnecessary burdens on our people. The accent, as far as national survival is concerned, continues, for example, to be on production; but

on production, nevertheless, wherein energy used is used most efficiently.

"...GNEA will continue to assist energy consumers to acquire the necessary knowledge, and to develop the necessary capability generally, to achieve maximum energy use, efficiency in their homes, offices, farms, industries and other energy-consuming units.

"Correspondingly, GNEA expects that it will continue to receive the support, and the co-operation, of each and every Guyanese in this very worthwhile national effort of maximising energy use efficiently, and therefore, of national energy conservation."

The decision to lift the ban came after the GNEA had assessed the effects of the 10 per cent fuel import cutback during the first three months of this operation. That assessment took note of the fact that over the period the volume of petroleum consumed in Guyana decreased substantially in comparison with the similar period last year.

## BRIEFS

POWER INCREASE--The Guyana Electricity Corporation expects to generate 8.5 more megawatts of power from early next week, following the arrival of a repaired gas turbine. The turbine, which cost approximately \$550,000 (U.S.) to repair, arrived Saturday night aboard a Guyana Airways Corporation aircraft. And according to GEC General Manager, Joe Holder, the other of the Corporation's two gas turbines is to be shipped to Canada for repairs shortly. Another one rented to the GEC by a Canadian firm during repairs of the first one is being returned to its owners. The hired turbine was inoperative for some months. The general manager disclosed that two engineers from the Rolls Royce firm in Canada were expected in the country yesterday to assist in setting up and commissioning the newly repaired turbine. He predicted that the GEC will soon generate 31.5 megawatts, just five short of the power needed by Georgetown and its environs. He made it clear, however, that the machine will not be used round-the-clock, because of its high fuel consumption rate. It was designed merely as a supplementary piece of equipment. It is understood that a foreign-based bank, with a branch in Guyana, assisted in providing a loan for repairing the turbine. [Text] [Georgetown GUYANA CHRONICLE in English 13 Aug 82 p 8]

CSO: 3025/416

## POWER PROBLEMS UNABATED; TALKS WITH UNION CONTINUE

## Effect on Industry

Port-of-Spain TRINIDAD GUARDIAN in English 7 Aug 82 p 1

[Text] The Trinidad Manufacturers Association has declared the national electricity supply situation to be in a grim position and called on the Trinidad and Tobago Electricity Commission (TTEC) and the Oilfields Workers Trade Union (OWTU) to settle their industrial dispute quickly in the interests of the country.

TTEC workers belonging to the OWTU held a meeting at Flament Street yesterday morning and attacked the TTEC management, calling for the removal of chairman Dr Ken Julien.

On July 27, negotiations between TTEC and the OWTU for a new industrial agreement broke down, and since then workers have been protesting by refusing to work overtime and by holding lunchtime demonstrations.

This situation is threatening to plunge the nation's power supply into chaos once again.

Boston Garments of Boundary Road, San Juan, sent home its 90 workers on Thursday, after having to pay them since Tuesday without getting any work done. Because of low voltage none of the machines could operate at all this week.

The workers have been asked to report back on August 16, and if things are not back to normal they will be sent home again, said the company's manager.

Yesterday the Patrick Young Sing Furniture Factory on the Old Southern Main Road, Caroni, was without its 50 factory workers, who have been sent home until August 11. The company's sales division remained open, and the clerical and administrative staff functioned with some difficulty after three consecutive days of low voltage and two weeks of general power problems.

Yesterday people from St Joseph, Santa Cruz, San Juan, Sangre Grande and Curepe in the North all reported problems. Others in Siparia, Point Fortin, Gonzales, Barrackpore, Laventille, Couva, Marabella, Phillipine, Maracas and Belmont were also affected, some of them having been without power since as far back as July 25.

The National Petroleum problem may result in shortages of gasoline in Northern areas over the weekend, as tank wagons having to go to the Texaco Bond in Point-a-Pierre instead of Sea Lots will be able to make less trips and will deliver less supplies.

#### Government Mediation

Port-of-Spain TRINIDAD GUARDIAN in English 10 Aug 82 p 1

[Text]

UP TO late yesterday, Minister of Labour Social Security and Co-operatives, Mr Errol Mahabir, was locked in discussion with the Oilfield Workers Trade Union (OWTU) and officials of the Trinidad and Tobago Electricity Commission (TTEC).

The meeting called by Mr Mahabir to discuss the problems affecting electricity supply throughout the country began at 5.30 p.m. at the Ministry of Labour, Riverside Plaza.

Mr Mahabir called the meeting following the number of reports pouring in over the failure of the employees of the

Commission to carry out their duties. TTEC is an essential service and there could be serious implications if industrial action is taken.

The OWTU has denied that its workers are taking industrial action as a result of the breakdown in negotiations for a new three-year agreement.

However, reports state that workers have not been responding to trouble calls and there has been an increase in the number of outages affecting homes and business places particularly in southern districts.

#### Extent of Power Outages

Port-of-Spain TRINIDAD GUARDIAN in English 11 Aug 82 p 1

[Text]

VAST AREAS of the country have been hit by prolonged outages over the past two weeks as the Trinidad and Tobago Electricity Commission (TTEC) and the Oilfields Workers' Trade Union continue to negotiate a new three-year industrial agreement at the Ministry of Labour.

Millions of dollars have been lost and in the South, residents in some areas are entering their 17th day without electricity. Callers to the "Guardian" complained of foodstuff being thrown away with one grocer at Enterprise Village, Couva giving serious consideration to suing TTEC for an outage which resulted in the loss of over \$1,000 worth of meat. The outage started on Saturday and despite repeated calls to TTEC, the grocer said that nothing had been done.

Another grocer in South Oropouche said that low voltage in the area had caused all the foodstuff in

cold storage to be spoilt. "I would like to know who is going to pay for all this" he added.

At Fanny Village, Guapo residents have been without electricity for the past 16 days and the Siparia area went into its 12th day without electricity yesterday. Avocat Village, South Oropouche and Delhi Road in Fyzabad has been without electricity for the past week because of a blown out transformer and TTEC has not been responding to calls for repairs, the residents said.

The General Manager of Cheesborough-Ponds said yesterday that his factory has been out of operation for the past five days and calls to TTEC have produced no results.

Several areas, including La Brea, Brick Field, Barrackpore, La Romain and parts of San Fernando have been without electricity since last week Thursday. Enterprise Village, Old Southern Main Road, since August 7, Gran Couva since August 4, Sangre Grande

since August 5, and Picton Road Laventille, since August 1.

Woodbrook has been receiving partial supply since July 27, Felicity, Chaguana has not had any electricity since last week Friday, Tragarete Road since Sunday.

Callers from Maracas Valley said yesterday that despite calls to TTEC no electricity has reached the area since last week Thursday, while residents of Eighth Street, Barataria between Third and Fourth Avenue have been experiencing low voltage for the past week.

The greater part of Woodbrook was without any electricity from 11.15 yesterday, Victoria Gardens from 12.30 p.m. and Vistabella since Friday at 12 p.m.

Consumers from the areas said that calls to "Trouble" at TTEC only brought various excuses such as 'no crews,' 'labour problems' and 'We have have no drivers.'

Editorial Criticism of Union

Port-of-Spain TRINIDAD GUARDIAN in English 11 Aug 82 p 8

[Editorial: "Time To Stop This Madness"]

[Text]

WORKERS of the Trinidad and Tobago Electricity Commission are holding the people of this country to ransom in a most indefensible manner. We cannot see what they hope to achieve by their present strategy except the condemnation and ire of electricity consumers.

They are clearly in the wrong both in their actions and in the objective they seek.

They are demanding 170 per cent increase in their wages over the life of the contract being negotiated.

When the management pointed out that this was a most unrealistic demand and referred the matter to the Ministry of Labour for Resolution, the workers resorted to industrial action — even if they have not dared describe it by that name.

What they are doing in any case is not bargaining but blackmailing.

The management of T&TEC have stated officially that the Oilfields Workers Trade Union originally tabled a demand for 200 per cent wage increase and trimmed it to only 170 per cent but refused to reduce that further.

The Management at that point offered to combine the December 31 cost-of-living allowance of 77 cents-an-hour with existing wages and putting 35 per cent on top of that.

The union did not amend its demand and the management put the matter to the Ministry. This, we think, everyone but the misguided workers will support.

The offer by the management comes near the percentage increase accepted by the various public employees in negotiation with the Chief Personnel Officer

some months ago.

The workers of T&TEC cannot, in conscience, expect any dramatically higher percentage as far as basic wages are concerned.

The port workers just a few days ago accepted 50 per cent increase. Do T&TEC workers really think that the Industrial Court will be intimidated into awarding them any more than the established norm?

Do they really think that consumers will back them up in their demand and that this will exert pressure upon the management to buckle to their demand?

What do these workers really think?

It appears to us that the OWTU is showing itself only dubiously in command or it must be insensitive and unrealistic all at once, to be lending its support to the kind of nonsense with which the workers are carrying on.

If the workers continue on their present course, the matter will eventually reach the Industrial Court and some additional delay will be experienced, we suppose. Is it, then, the intention of the workers to subject consumers to devastating hardship until their demands are met?

A few days ago the Minister of Public Utilities mentioned that T&TEC would soon announce its 1983 development plan. This plan is now obviously in jeopardy.

The consumers who would have been helped by it are now condemned, we should think, to gloomier times in the near future.

Clearly the time has come for some drastic action to be taken. T&TEC is an essential service and its workers are not entitled to take this kind of action. Not only is it vicious, but it is illegal.

## Slap at Management

Port-of-Spain TRINIDAD GUARDIAN in English 12 Aug 82 p 6

[Article by Mikey Mahabir: "Workers Not To Blame for Outages Says Weekes"]

[Text]

**DO NOT BLAME** the workers of the Trinidad and Tobago Electricity Commission (TTEC) for the current outages in the country.

The blame must be placed squarely on the shoulders of management of TTEC, said George Weekes, president general of Oilfields Workers' Trade Union yesterday.

The Commission has efficient and dedicated workers doing a most dangerous job, one in which they could lose their lives, he stated.

"We have sufficient power to supply the whole country. It is the question of distribution and transmission of the electricity and these problems keep coming up all because of the inefficient management and lack of proper facilities such as equipment to do the job," the OWTU leader stated.

Mr. Weekes referred to the current wage negotiations between his Union and TTEC and said a number of matters were settled with the Minister of Labour, Rep. Errol Mahabir when they met earlier this week at the Ministry.

They are to return for another round of talks today at 9.30 a.m.

He said that they went through some 60 outstanding matters and settled a number of them. During the talks the question of blackouts came up and the Minister himself said certain areas were restored.

Mr. Weekes said that the Commission was only attempting to put the Union and the workers in "bad light" in the minds of the population through exaggeration of the number of outages.

He said the Union refuted the reports as outlined. Like the Minister, the Union is also concerned with the outages, he stated.

Mr. Weekes referred to the recently held consultation in the area of electricity and said he observed that TTEC, according to the Commission's representative, is endeavouring to re-establish a linesmen training school and to re-

introduce more effective methods of distribution operations.

### MANAGEMENT

Also TTEC will be establishing depots for better customer services in certain areas such as Point Fortin, Sangre Grande and St. Augustine.

As Mr. Weekes sees it, TTEC has admitted its failure to employ training and adequate numbers of linesmen. Also he has seen the Commission's move to introduce new methods and materials in distribution practices, as a long felt need.

With the lack of such facilities there must be a breakdown in the service. The Commission and the blame must be placed on the management for such a situation developing. Why blame the workers at this stage, asked the OWTU leader.

Establishment of depots should have been introduced a long time ago because whenever a problem arises, whether from a blown transformer or otherwise, it is taking the maintenance crews a long time to get from one area to another.

With depots set up at certain points, particularly in the thickly populated areas, such problems would be dealt with expeditiously and without any undue delay, he observed.

Mr. Weekes noted that whenever a firm is in trouble, whether locally or world-wide, the problems always start from the top inefficiency of management. "And when it results from top management it also affects the organisation down below."

In the case of TTEC, there are no bad workers. There might be an individual who might not perform up to standard but the majority of the electricity workers give of their best. He believed that it is management who is incapable of effectively managing the operations thereby allowing the problems to flow down resulting in the workers getting the blame.

Mr. Weekes also pointed to the area of transmission at TTEC and referred to the Commission's report at the consultation.

He said that the country was faced with a transmission problem and mentioned the section of the report which said: "At the present time TTEC's transmission system can just about cope with the requirements of the country but loss of transmission lines, which in the past did not impose severe constraints on the system, are now critical because design limitations are exceeded due to the extremely sharp rate of increase in development of the country."

The report also said that the distribution system is the weakest area in the link bringing power to the consumer with respect to reliability.

"It is here where small areas and single customers are affected and must be dealt with. The distribution network is vast since these electric lines run along the major highways, streets, traces and connections made finally to each single consumer. It is here where outages are most marked from the point of view of customer services.

Mr. Weekes made mention of that to show that the fault again in the "inefficiency" of the service, lies with management and not the workers.

## Call for TTEC Chief's Resignation

Port-of-Spain SUNDAY GUARDIAN in English 15 Aug 82 p 3

### [Text]

• WE put it to Dr. Julien that ISCOTT lost \$800 million in its first year of operations.

• That even after the price of electrical energy for the iron and steel mill is adjusted downwards to one-tenth of what it ought to be, ISCOTT will lose money for 15 years before it turns the corner.

• That in the face of the crushing depression facing the industry globally, ISCOTT will become a millstone of steel around the necks of Trinidadians and Tobagonians.

• We put it to Dr. Julien that the other millstone stretching the necks of Trinidadians and Tobagonians is the Electricity Commission which he has headed for several years and which he stubbornly refuses to give up despite a chorus of "get out" from the public.

• We put it to Dr. Julien that, notwithstanding his academic prowess, he is losing his grip on sound judgment, because if he weighed all the ills carefully he would reach no other conclusion but that he must go.

Instead, he has decided to brazen it out, dishing out the most insipid balderdash as reasons for the continued failure of the Electricity Commission to serve the long suffering people of Trinidad and Tobago.

### VARIOUS TALENTS

In what is clearly an insult to good sense, he told the recent Chaguaramas discussions — the second round of ole talk this year — that he was endeavouring to improve distribution, development and reliability by trying to reorganise the composition of its work crews for a more effective and efficient use of manpower.

One does not have to be a management consultant to know that organising the human resource in an establishment, the better to employ the various talents, is one of the most basic and fundamental of management functions. The very concept of work in a societal setting involves making the best use of talents in a co-ordinated way to achieve specific objectives. It is a sine qua non. It is the absolute foundation of organised effort. To state it as something fresh and new is as original as declaring that in order to remain alive one must breathe.

According to the report in the Guardian, improvement by T&TEC is also going to be done by introducing more modern and specialised vehicles. Now who is Dr. Julien trying to fool? Anyone looking at T&TEC even in a most disinterested fashion will see a

quantity of vehicles in a very good condition. That's because T&TEC each year invites tenders, and these tenders are very specific about the sort of vehicles the Commission wants. These particulars are stringently met by suppliers. So why is Dr. Julien trying to make us believe that they are only now introducing more modern and specialised vehicles?

### SYSTEMS

Getting the vehicles is not the problem, but the efficient operating of the vehicles, and this gets right back to faulty management systems and controls. In other words, right back to the faulty systems and controls for which he, as Chairman, must accept ultimate responsibility.

T&TEC also plans increasing stores and warehousing facilities to ensure an adequate stock of materials. Are we really seeing right? Are we to believe that after so many decades of existence, our only electric utility has just discovered that it doesn't have space to store the equipment and parts it buys? Is this an admission to the effect that the Commission is in a state of chronic shortage and undersupply of parts and materials? That it has been operating on the basis that it needs no spare parts, and has been functioning by luck and chance? This surely does not sound like the careful and meticulous planning that would be expected from a highly degreed educator.

According to the report, there will be a "re-establishing of a Linesmen Training School and introduction of new methods and materials in distribution practices." What an amazing conclusion for Professor Julien to reach one year after this column pointed out that T&TEC

was heading for serious trouble because of a shortage of linesmen, and an absence of training facilities for these vitally needed technicians!

The way Dr. Julien put it at Chaguaramas recently, the public could easily get the impression that a great and sudden discovery has been made. We wish to put it to Dr. Julien that the absence of linesmen training was deliberately suppressed and disregarded and represents a most puissant area of incompetence. Look at the facts.

In an article, headlined "An embarrassment called T&TEC," in the Sunday Guardian of September 6, 1981, this column declared "There was once a Linesmen Training School at T&TEC. In typical, early-era efficiency, T&TEC produced quality linesmen and the school became another reason for the high esprit de corps once distinguishing T&TEC as a model utility.

"Up to the end of the 'sixties the school produced between 75 and 100 linesmen each year. Then, mysteriously, the school was closed down." As a result, at September last year there were less than 300 linesmen out of total requirements of 400 linesmen. No doubt the number has since fallen further. And while Dr. Julien did not close down the school, he has certainly known of its closure for the six and a half years in which he has been Chairman. Yet he did absolutely nothing to correct the situation. Now that the pressure is on, he is casting around for every straw and has suddenly made the great discovery that linesmen need training!

We have a further thought on the matter. The closure of the Linesmen Training School coincided with the decision by T&TEC to turn its attention to the purchase and installation of generating plant, and to concentrate its attention on the intended jewel in the

crown of industrial development, Point Lisas. The latter was supposed to be the Government's mega-achievement, but is heading to be a disappointment if not a flop. In the process, the maintenance of transmission and distribution lines was sacrificed.

Frankly, we would like to know the conditions under which the various items of generation were purchased, such as prices and commissions.

### SERVICES

Finally on this matter of linesmen training, are we to believe that a site must be found, approval sought and obtained, premises erected, equipment installed, etc., before a single linesman is graduated? If this is what Dr. Julien and his managers have in mind, then they are displaying for the entire public to see their total incompetence in handling a situation calling for speed and urgency.

Then the Julien bandwagon at Chaguanas went on to state that customer services will be improved by establishing depots in the Point Fortin, Sangre Grande and St. Augustine areas. Just think of it, after a mere 78 months as Chairman of T&TEC, Dr. Julien has just discovered that depots are required in key areas. Once upon a time there was an incessant flow of feedback on needs and requirements. This would have identified such a need, and the necessary action would have resulted. But both line and management systems have deteriorated, so that it takes years for even the simplest of requirements to be pinpointed, then acted upon.

We want to put it to Dr. Julien that he himself would

not retain the services of a top and trusted employee who for 78 months failed to carry out the most basic tasks.

Dr. Julien also said that T&TEC is endeavouring to liaise with the union to accept and work together to achieve some of the plans. Come, come, Dr. Julien, are you telling us that you have just discovered that the workers are unionised? And that working closely with the employees and union to identify and implement goals has not been done before?

The Oilfield Workers Trade Union, the body involved, also represents many other corporations. These corporations and the union have had working relationships for years. Occasionally there are disagreements and spats. But, by and large, it is a good relationship. How come Dr. Julien has only now discovered that management should liaise closely with the lads in the blue shirts to get the job done?

We believe that the basic problem at T&TEC is that Dr. Julien will allow none of his managers to deal with or discipline anyone, and the union, no less than the public, is not only amazed by the situation, but quite likely is taking advantage of it. Take the case last week where a meeting of workers was held on the company's premises during office hours, between 8.30 and 9 o'clock one morning, to denounce Ken Julien among others.

We know for an absolute fact that managers are instructed not to get into any sort of confrontation with the workers and the union, and that into this situation of hiatus the union has stepped in and is doing precisely what it wants. For instance, the crews have become expert at organised absenteeism, whereby first one person,

then another member of a crew, would not turn up on alternating days. By not having a full complement on any given occasion, work either cannot be done at all or must be done sketchily.

But what takes the cake as far as the public is concerned, is when Dr. Julien can tell us that T&TEC is suffering from long delays in obtaining the necessary approvals for the various projects. Dr. Julien has enjoyed a privileged and a protected position with the PNM Government for a very long time. If one man had direct communication with the late Prime Minister, it was Dr. Julien. He was one of the few who were present on the death of Dr. Williams. If anything, Ken Julien has been the one man with the midas touch, the ability to obtain whatever funds he needed for projects.

For starters, he obtained all the hundreds of millions he needed for ISCOTT. He obtained the millions required for building the new power station at Point Lisas where, some years ago, he uttered the famous statement that outages are things of the past. In whatever he has done, money and approval have never been problems. His is a problem of management and that is why we say, without apologising for repeating ourselves for the umpteenth time, that for the sake of the Electricity Commission, the people of the country and in the name of human decency, he should get out. Quit.

And if the man who has the hypnotic hold over the Government does not resign, or appear in public to face the media as was suggested in this column some weeks ago, then the Government would be abdicating its responsibility if it did not replace him...and others.

## TTEC Officials' Position

Bridgetown ADVOCATE-NEWS in English 7 Aug 82 p 3

[Text]

POR-T-OF-SPAIN, Trinidad, Friday. (CANA) — Officials of the state-owned Trinidad and Tobago Electricity Commission (TTEC) say manpower deficiencies, a poor work ethic and troubled industrial relations are hampering the company's operation, but it is trying to improve its service to the public.

Chairman Dr. Ken Julien Wednesday told the closing session of a two day conference reviewing TTEC's operations that in the past two days, 25 of the commissions crews did not turn up for work.

He also mentioned the current deadlocked wage talks for workers between the company and the Oilfields Workers Trade Union (OWTU), stating that though electricity was the "essential of essential" services as OWTU president-general George Weekes put it, it should not be used as "a gun which can be held at someone's head."

But the feeling that much was needed to be done concerning the relationship between workers and management at the utility company was expressed on numerous occasions by speakers at the two-day discussion meeting.

Pursuing the issue of worker attitudes and productivity at TTEC, general manager of the Employers Consultative Association, John Nunez, said industrial and labour relations were crucial matters in efforts to increase the capacity for more efficiency at the electricity company.

Mr. Nunez also said his organisation was in agreement with submissions made by OWTU that there was a need for effective worker representation on the board of management at the commission.

He also saw the need for TTEC to initiate a programme for motivating workers, a point also raised by Agatha Beckles, executive member of

the St. George West Association of Village Councils.

After recounting the several instances on which she said TTEC workers were known to be unproductive on the job, Mrs. Beckles said this must be the result of bad relations between management and the union.

She said that while there would always be the problem of "those who prefer to live off the sweat of others, calling themselves trade unionists, the commission should recognise the need to make workers feel a part of overall operations.

Acting TTEC general manager John Woon Sam complained that local contractors had consistently failed in completing jobs and meeting deadlines for distribution of projects.

In addition, he said the commission's work force was short of the required skills to cope with the amount of work necessary to handle all the projects.

Delays in the release of funds by government, the difficulty in obtaining import licenses and the late delivery by suppliers were also pinpointed as reasons for delays, increased costs and not meeting customers' requirements.

Mr. Woon Sam said that in its distribution system, the manpower deficiency was most noticeable in the area of linesmen and TTEC had decided to [word illegible] its linesmen training school.

It is planned to acquaint land in the central area for the construction of the school, he said.

The commission was experiencing difficulty in acquiring, "the right calibre

personnel for training, and it may be necessary to either obtain foreign expertise initially or initiate external training of suitable locals to meet the required standards," the acting general manager added.

Outages to large areas, Mr. Woon Sam explained, were caused by deficiencies in either the generating or the transmission systems, or both.

The commission had enough generation to meet present demands and was vigorously pursuing its transmission development and outages to small areas resulted from faults in the distribution system, he added.

Commenting on outages over which TTEC had no control, Mr. Woon Sam said long delays in returning supplies to normal were caused by problems of manpower and the work ethic in general.

"Absenteeism which results in an inadequate amount of crews, delays due to traffic problems, communication problems which delay information reaching TTEC. All add together to increase the length of outages," he said.

TTEC, he said, was endeavouring to improve its distribution development and reliability by:

- Trying to reorganise the composition of its work crews for a more effective and efficient use of manpower.

- Introducing more modern and specialised vehicles.

- Increasing stores and warehousing facilities to ensure an adequate stock of materials.

- Re-establishing a linesman training school and the introduction of new methods and materials in distribution practices.

- Re-establishing depots for better customer service in Point Fortin, South Trinidad, Sangre Grande and St. Augustine in East Trinidad areas.

- Endeavouring to liaise with the union to accept and work together to achieve some of the plans.

## TEXACO SITUATION REMAINS AMBIGUOUS; UNION TAKES ACTION

## Petroleum Supply Situation

Port-of-Spain TRINIDAD GUARDIAN in English 7 Aug 82 p 1

[Text] Texaco's low refinery throughput--80,000 barrels daily, down by 275,000 barrels will not result in a shortage of refined petroleum products on the local market, the company said yesterday.

Texaco said that local gasoline consumption was at an estimated 250,000 barrels monthly and refinery output was more than adequate to meet the demand by motorists.

The company which recently closed down its Star Farm and curtailed the hiring of temporary and casual labour said the State-owned Trintoc refinery was also producing petroleum products and there was no cause for alarm by motorists.

Petroleum engineers had expressed fears that the cutback in refinery throughput at Pointe-a-Pierre would lead to a shortage of gasoline and other petroleum goods in the country.

The refining cutback was triggered by the lower level of shipments to overseas markets, because of the reduced demands. There are more than one million barrels of motor gasoline in store at Pointe-a-Pierre, the company said.

Similarly, there is an adequate supply of other refined products consumed locally and that should remove any fears of shortages in the present situation.

Texaco confirmed that as from last August 1, its throughput at the Pointe-a-Pierre refinery dropped from 110,000 barrels per day to 80,000 barrels daily.

On job opportunities, the company said that at this level of refining throughput, the lowest for many years, clearly the need for casual temporary and contract workers would be at a minimum, since the company's work force will be more than adequate to cover the normal job requirements.

## Talks With Government

Port-of-Spain SUNDAY GUARDIAN in English 8 Aug 82 p 1

[Text]

TOP officials of Texaco in the United States have been holding talks with the Trinidad and Tobago Government on the serious situation now facing Texaco Trinidad Inc.

Sources said yesterday that officials have been flying in and out all last week for the talks, but so far no word has been received on the possible outcome of the discussions.

Texaco, which employs about 6,500 workers, has reduced its Pointe-a-Pierre refinery's daily output from a maximum capacity of 355,000 barrels a day to 80,000 a day. This, the sources said, is a result of a world glut of crude oil and worldwide recession.

It has shut down a number of units at the Pointe-a-Pierre refinery and several contractors have been suspended. Several hundred workers are already out of jobs and it is expected that many more may soon be on the breadcrim.

Texaco has offered early retirement to about 1,500 workers, but few have taken up the offer, sources indicated.

The situation at Texaco, the sources said, is the worst crisis to hit Trinidad and Tobago in many years. The company's operations have been the lifeline for the largest area of South Trinidad and cut-backs in its operations will have disastrous effects on the economy.

There have been calls on the Government, led by the Oilfields Workers Trade Union, which represents the workers, to nationalise the company, but reports indicate that the Trinidad and Tobago Government is not inclined to buy out Texaco. Until now it has gained fantastic revenue from the company, the sources said, without the headaches of operating the refinery and finding markets. Texaco's annual wage bill alone is \$100 million.

## Launch Operations Takeover

Port-of-Spain TRINIDAD GUARDIAN in English 9 Aug 82 p 4

[Text] Texaco Trinidad Inc. and the Oilfields Workers' Trade Union held top level discussions last week concerning mainly the company's present refining situation and cutback to 80,000 barrels per day.

The union's team was headed by Mr George Weekes, President General while Mr Lloyd Austin spearhead talks for the company.

Mr. Weekes said the company told them that its launch service which was being handled by contractors, would be taken over by company personnel and equipment.

He said, the company indicated it had the equipment

and personnel capable of handling the launch service to the super tankers out in the Gulf of Paria.

### LOW ACTIVITY

Texaco has already stated while referring to its 80,000 drop in throughput from August 1, that the requirement for contractors and casual or temporary workers "will be at a minimum, consistent with the low activity of its refin-

ing operations."

The question of contractors, casual or temporary workers was also raised by the union at Thursday's meeting held at the union's headoffice, Paramount Building, San Fernando.

Meanwhile the OWTU is planning to go to the workers and the public in general to let them know of the current situation in the oil industry particularly at Texaco Trinidad Inc.

## Public Meetings

Port-of-Spain TRINIDAD GUARDIAN in English 9 Aug 82 p 3

[Text]

MEETING between the Oilfields Workers Trade Union and Texaco Trinidad Inc. on Thursday has led the union to organise a series of public meetings to let the country in general know what is taking place at Texaco, according to OWTU officials.

The union plans to hold the first meeting on Thursday August 12, at 4.15 p.m. at Marabella with Mr George Weekes, President General being the principal speaker.

The union intends also to inform oilworkers at Texaco and the citizens in general of the "deteriorating situation

in the oil industry and in particular the looming retrenchment at Texaco."

The OWTU is claiming that the information which came out from Thursday's meeting is not just the concern of the union but of the entire country.

At that meeting Mr. Weekes led the union's team and Mr. Lloyd Austin, General Manager, the company's side.

In a statement the union said that it is very concerned about the situation in the oil industry and its ramifications for the economy and the OWTU deems it necessary to bring it before the nation.

## Union-Company Talks

Port-of-Spain TRINIDAD GUARDIAN in English 14 Aug 82 p 1

[Text]

TENSION is mounting at the Texaco refinery at Pointe-a-Pierre as the current wage negotiations on behalf of the 900-plus monthly salaried workers broke down last Tuesday.

A spokesman for the workers, members of the Oilfields Workers' Trade Union, said yesterday that workers at the refinery were feeling very insecure because of talk of retrenchment by the company.

However, the company said it had no plans to do so at this time.

After the breakdown the union reported the matter to the Labour Ministry.

Areas of disagreement included wages, cost of living allowances, retirement age.

One the question of retirement, a crucial area in the talks, the company in seeking to reduce the retirement age from 65 to 60, it was learnt.

The OWTU and Texaco held 23 meetings after talks earlier this year.

In addition, they held 13 smaller meetings discussing

proposals relating to a medical and safety plan.

Spokesman for the workers said the deadlock was reached not so much on the question of wages and other items but because of certain principles and alleged exploitation by the company.

A report from the refinery area late yesterday stated the monthly paid workers in the bargaining unit have "lost interest" in their jobs because they just don't know at what stage the company would embark on a retrenchment programme.

It was learnt from a senior official of the OWTU, who is a member of the negotiating team, that the company brought in 17 foreign consultants from the firm of Sego International to work at the Pointe-a-Pierre refinery and they started operating on Thursday.

He said they saw this action by the company as a move to cut down employment.

This could not be confirmed by the company.

## Union Protest

Port-of-Spain TRINIDAD GUARDIAN in English 16 Aug 82 p 1

[Text] TEXACO Trinidad Inc. has been accused of employing "hatchet" men to assess the situation at the Pointe-a-Pierre refinery and make recommendations regarding cutting down the existing 6,500 labour force.

That information has reached the Oilfields Workers Trade Union, and Mr. George Weekes, president general, described the situation as "very explosive."

Mr. Weekes said that offices of the Texaco weekly and monthly paid branches of the union have already held discussions with the foreigners brought in by the company to work at the refinery to get information from the workers. This is in order to compile their report for submission to the company.

The OWTU leader said the branch officers have been asked by the foreigners to co-operate with them in

supplying certain information as requested.

"But when the officers asked those foreigners certain questions, they were not getting answers," observed Mr. Weekes.

Mr. Weekes said that his union's general council on Saturday unanimously agreed to hold a demonstration of oilworkers and the date will be announced by the central executive shortly.

They are going to protest, in the main, any form of retrenchment while calling on Government to take over the operations of Texaco Trinidad Inc. as the first step towards establishment of a national petroleum industry in Trinidad and Tobago.

Mr Weekes has accused the company of imposing a strike in the form of cutting down on throughput, which he claimed is now affecting the economy of the country, hurting oilworkers

and their families and the country generally.

"Many firms will have to lay off workers because of the situation at Texaco Trinidad Inc.," observed the union leader.

He claimed that cutting back on throughput was not a decision of Texaco Trinidad Inc., but a decision by the company's New York head office.

"And that has happened because of the company's demand on the question of tax from the Government" he stated.

Mr. Weekes said that the Mexican Government in 1938 ex-appropriated the oil companies in their country, the largest of which is Exxon and from then on that Government has been prospering.

Trinidad and Tobago is in the oil business longer than Mexico. We have modern expertise and we will be able to run the oil industry," he declared.

## Call for Government Purchase

Port-of-Spain TRINIDAD GUARDIAN in English 17 Aug 82 p 7

[Text]

GEORGE WEEKES, president general of the Oilfields Workers Trade Union said yesterday that he was informed by a Government Minister that the company told the Ministerial Team, appointed to study the future operations of the Pointe-a-Pierre refinery, that it was willing to sell out its refinery.

The OWTU leader said that the Union told the Ministerial Team that Government should buy out, not only the refinery but the entire assets of the company in Trinidad and Tobago.

It was on the basis of what Mr Weekes said that the company was asked to state positively whether it intends to sell out its refinery.

The company's response was vague in that it was not stated whether it intends to sell out the refinery or its Trinidad and Tobago operations.

Texaco Trinidad Inc. employs more than 6,500 workers. Sometimes ago the company offered voluntary retirement but only about 47 workers responded.

The company said months ago that some 1,500 workers were eligible to accept the offer.

Mr Weekes believes that the company should buy out the entire operations, there should be no problems to get markets since negotiations could be made with the Caribbean neighbours to sell petroleum products.

## TESORO PETROLEUM OFFERS TO SELL SHARES TO GOVERNMENT

Port-of-Spain TRINIDAD GUARDIAN in English 14 Aug 82 p 1

[Article by John Babb]

[Text]

TESORO Petroleum Corporation of San Antonio, Texas, has formally proposed to sell its minority holding — 49.9 per cent — in Trinidad/Tesoro to the Government which already holds the majority equity — 50.1 per cent.

Under Article 25 of the Articles of Association of Trinidad/Tesoro, the Government and Tesoro, within the next 30 days, must agree upon the price of the shares to be sold. Failing that, then the price of the shares would be determined by the auditors of the company.

Tesoro's offer to sell was announced yesterday by Minister of State Enterprises, Rep. Ronnie Williams, in the House of Representatives.

In a letter which he handed in on Wednesday last, Tesoro's Chairman and Chief Executive Officer, Dr. Robert West, told of Tesoro's approval of a series of transactions for restructuring the capitalisation of Tesoro.

## REFUSAL RIGHTS

Following the Board's meeting on July 28, he said, Tesoro announced a public tender offer for four million shares of its Common Stock at a net price of \$22 (US) per share, in cash.

In addition to approving the cash tender offer, the Board also decided to transfer all the "B" shares in Trinidad/Tesoro owned by Tesoro Petroleum to a new wholly-owned subsidiary of Tesoro.

However, under the Articles of Association of Trinidad/Tesoro, such a transfer gave rise to "first refusal rights of the Government of Trinidad and Tobago."

As a result, the offer to sell had to be made. The "B" shares represent the 49.9 per cent equity of Tesoro Petroleum Corporation.

In his letter, Dr. West said he believed that Tesoro and the Government would be able to agree on a price in the light of the spirit of partnership that has ruled their relationship for more than a decade.

"I assure you that representatives of Tesoro will be prepared to negotiate an agreement with Government in good faith on the price, the method of payment and any other terms that you and we may determine to be appropriate for the transaction," said Dr. West in his letter to the Minister.

In its last annual report — 1980 — Trinidad/Tesoro reported that it had been a year in which its growth rate quickened, as total

assets moved from (TT) \$755.2 million in 1979 to cross the \$1 billion mark by the end of September, 1980 — an increase of over 38 per cent.

Although direct and indirect operating costs showed an increase of 35 per cent over the previous year, the company still managed to net an after-tax profit of \$160.8 million.

As a result, the year's profit represented a 61.6 cents per share as against the 1979 results of 39.2 cents per share. Dividends declared and paid during 1980 were \$99.7 million or 38.2 cents per share.

Oil and gas revenue of the company jumped 84.9 per cent, to total \$860.8 million in 1980.

On July 1, 1969, the company which succeeded British Petroleum (BP) began operations in Trinidad. It was incorporated on May 16, 1969 as a joint venture between the Government and Tesoro Petroleum Corporation.

Over the past few months Tesoro Petroleum has been encountering some problems with some of its shareholders in the U.S. who levelled charges of bad management at the Tesoro's Board.

It was at a meeting on July 1 that the dissident shareholders presented an "idea" for increasing the company's stock's value.

The "idea", never written out as a formal proposal, was that the management should sell the company's 49.9 per cent equity in Trinidad/Tesoro to the Government of Trinidad and Tobago for some (US) \$160 million, then use the money plus borrowings to buy nine million shares on the open market at (US) \$30 per share to boost the stock price.

**'INADEQUATE'**

The dissidents, it was learnt in Washington last week, had, up to then had no response from the management to the "idea."

However, in the light of the July 28 decision of the

Board of Directors, the company said it may use part or all of the net proceeds of the Trinidad/Tesoro sale to make additional purchases of its common stock.

A group of the dissident shareholders said they considered the offer by the management to buy back four million company shares (US) \$22 per share as "extremely inadequate."

They were reportedly consulting with lawyers in the U.S. on what future action they should take in their confrontation with management over moves needed to enhance the company's stock price, one of which could be waging a proxy battle to displace the management.

CSO: 3025/416

## TOBAGO OFFICIAL: NATURAL GAS PLANT CHEAPER IN TOBAGO

Port-of-Spain TRINIDAD GUARDIAN in English 10 Aug 82 p 4

[Article by Ramdath Jagessar: "LNG Plant in Tobago Would Cost \$1B Less"]

[Text] It would cost \$1 billion less to site a Liquified Natural Gas (LNG) plant in Tobago than to do so in Point Lisas in Trinidad, because Tobago is much closer to the mostly offshore gas fields.

This point was made by Chairman of the Tobago House of Assembly Mr A.N.R. Robinson yesterday, as he discussed the economic future of the sister island.

He explained that the additional costs in Trinidad would be incurred because of the extensive overload gas pipelines necessary, but because of political implications the Government was adamant against siting the plant in Tobago.

#### \$1B Revenue

An LNG plant in Tobago would mean at least one deep-water harbour, an independent and reliable electricity supply, adequate energy resources for a number of factories, plus full employment.

In terms of revenue, such a plant could bring up to \$1,000 million a year to finance industrial and commercial development.

Extensive resources of oil and natural gas exist just off Tobago, claimed Mr Robinson, quoting just one well LL9 north west of Buccoo with an estimated yield of 38.8 million cubic feet of gas per day.

The area now has gas reserves estimated to exceed 3.6 trillion cubic feet of gas and possibly as high as 10 trillion cubic feet, he added. Well LL9 is in the block allocated to Deminex-Agip.

The House of Assembly Chairman quoted the WORLD OIL JOURNAL of August 15, 1977 that "between the islands of Trinidad and Tobago, Deminex/Agip, Tenneco and Occidental/Phillips have found what appears to be good gas production.

#### Indefensible

The Deminex/Agip group's third well gauged at 10 million cubic feet of gas daily and Occidental's first well flowed 37 million cubic feet. Occidental's second

test was reported comparable to the first and the find may indicate reserves equalling Amoco's five trillion cubic feet.

Similar information was quoted from the Petroleum Economist of December 1977, noting a major new gas field off Trinidad's North Coast.

Mr Robinson observed that on March 2, 1978 the EVENING NEWS reported that Occidental had initiated a joint feasibility study with the Government on use of the company's North Coast gas discoveries in a second LNG plant.

He charged that both for the first and the second LNG plants the deliberate policy was to leave out Tobago as the site which, he said was clear discrimination and indefensible economic policy.

CSO: 3025/416

## BRIEFS

10,000 NEW CUSTOMERS PER YEAR--Prof. Kenneth Julien told the consultation discussing performance of the Trinidad and Tobago Electricity Commission last week that the Commission is currently adding customers at the rate of approximately 10,000 a year. Ninety-five per cent of Trinidad and all of Tobago are electrified now, a TTEC source says. The rates charged consumers are "among the lowest in the world," and certainly the lowest in the Commonwealth Caribbean. A TTEC brochure states that for consumption of 250 units per month a consumer in Antigua pays \$122.87, in Guyana \$68.37, in Jamaica \$52.43, in Barbados \$52.57 but in Trinidad and Tobago only \$15.87. The last general increase in T&TEC rates occurred in 1963. However, in 1968 domestic users had their rates revised upwards to present levels. T&TEC's work force contains more than 2,500 persons. Transmission of bulk power from the various generating power stations to distribution centres is carried out by lines of three types of voltages, 33,000 volts, 66,000 volts, and 132,000 volts. [Text] Port-of-Spain TRINIDAD GUARDIAN in Eng 10 Aug 82 p 4]

CSO: 3025/416

## CRITERIA FOR ESTABLISHING OIL POLICIES ANALYZED

Caracas ZETA in Spanish 8 Aug 82 pp 40-41

[Article by Ivonne Attas: "Venezuela First"]

[Text] The week before last, even though we did not yet have the direct information which the minister Calderon Berti was to give the nation upon his return from the latest OPEC conference, we discussed the issue of oil, fully convinced of its importance for all the people of Venezuela. For this reason we entitled that article: "Oil, a National Issue."

Now, in the light of new events, and after hearing the statements of the minister of energy and mines, which have given us some new information on which to base our opinion, we feel it is necessary to make some comments on the conduct of our oil policy, which means, on the fate of our nation in economic terms.

After nationalization, Venezuela placed in the hands of state organizations its entire petroleum-producing apparatus. PDVSA [Venezuelan Petroleum, S.A.] is the state company which encompasses and controls the nationalized companies such as Lagoven, Meneven, Petroven, Pequiven, and others, and it directs the entire process of extraction, refining, distribution, research and the search for new oilfields, along with the production of byproducts and semi-refined products. The person with the greatest responsibility for Venezuela's oil policy, for its association with other countries on an international basis, for its relations within OPEC, for compliance with its agreements, for supply contracts, for expansions and restrictions in export quotas, etc., is the minister of energy and mines. The nation must rely on him, and the people of Venezuela already have solid proof of his capability, patriotism, and character.

It is essential that oil be in good hands, safe from political oscillations and free of improvisations and irresolution. Both politically and technically, we must have confidence that those people responsible for our petroleum policy know what they are doing, and that they have sufficient integrity to merit our confidence.

Humberto Calderon Berti has spoken to the nation as a statesman should speak, clearly and firmly, with conviction and in an persuasive manner, sure that he is right. The recent meeting of OPEC ministers was the most difficult of the many meetings OPEC has had throughout its history. Venezuela was aware of this, and so it went to the meeting with the maximum possible preparation.

Venezuela did not go to the meeting with the intention of threatening anyone, but as a member of the followup committee, it was doing its duty in stating that the commitments made on restrictions at the previous meeting had not been faithfully respected. That commitment expired on 1 July 1982, and until that date Venezuela had remained within the agreed upon limitation, with an exemplary fidelity and at a great deal of sacrifice. In the future, Venezuela will again accept such restrictions if the other members also do so, and if they fully comply with such an agreement. If not, Venezuela will not accept such a restriction.

At the earlier meeting a top limit on production had been set at 17 million barrels per day, which was not met. In Vienna an expansion limited to 17.5 million barrels per day was proposed, but Venezuela was correct when it stated that it would not accept that limitation because others would not comply with it. As proof of its spirit of fairness, Venezuela said that it is prepared to support an increase in the quotas for Iran and Iraq, because of their war. In conclusion, Venezuela demanded that all the member countries support the OPEC price structure.

The increased production levels announced for Venezuela by Calderon Berti are justified by the following three reasons:

a. To comply with contractual obligations which had been delayed because of the commitments to OPEC for the second quarter of 1982 (as the OPEC meeting held on 9 and 10 July 1982 did not set any production quotas for the member states, the contract commitments with Venezuela's traditional customers can not be postponed indefinitely. The maintenance of restrictions which are not obligatory would automatically mean a voluntary violation of Venezuela's commitments.

b. The need to meet seasonal demand for heavy crudes, intended primarily for non-energy uses (asphalt, lubricants, etc.).

c. The replacement of inventories of crudes and petroleum products in Venezuela, which are now at abnormally low levels. This has a marked impact on industrial operations (refineries, gas injection, etc.). These inventories had been built up prior to 1 April and have since declined because of the need to compensate for our domestic production, which has not been adequate.

Harsh criticism of this production increase by Venezuela has come from the political opposition. Accusations have been made that this step was taken in order to increase state revenues. It is true that holding production at 1.5 million barrels per day means creating an unnecessary drain on state revenues, which has a painful impact on projects now in progress and on the quality of services. But that is not the only reason, nor is it even the most important.

The main reason is that Venezuela comes first. It has been said that, for Venezuela, keeping OPEC alive must come first. Mr Calderon Berti corrected this statement. Venezuela is first, and for Venezuela it would be suicidal to give up customers to whom it has contractual commitments. These customers would probably buy from non-OPEC members, and we might lose them forever.

What is being asked of Venezuela? That it persist in its sacrifice when other members don't do the same?

Venezuela has not violated and will not violate the OPEC price structure. It asked for support for this price structure at the latest OPEC meeting, but no agreement was reached.

What more can be asked? Our final immolation?

Venezuela will defend OPEC and certainly, based on the logic of events and its advantages, and we could even say, based on an instinct of self-preservation on the part of the producing countries, OPEC will not disappear. Rather, it will recover its vigor and will continue to carry out its mission. But we, as Venezuelans, must be very certain, very aware of this irrefutable truth: Venezuela comes first.

Our minister of energy and mines, Dr Humberto Calderon Berti, has made this point clear. Let the entire nation know of his responsible action, and let his critics understand that nothing can be more true than this fundamental truth: Venezuela is first.

7679

CSO: 3010/2213

## CALDERON BERTI DISCUSSES OIL INDUSTRY PROGRAM

Caracas RESUMEN in Spanish 15 Aug 82 pp 32-33

[Text] On the occasion of the fourth general assembly of the chamber of the oil industry, the minister of energy and mines, Dr Calderon Berti, spoke of the necessity, suitability, and intention of reaching some agreement on oil.

"We have stated quite insistently that we can not subject the oil industry to changes every 5 years, that we can not subject it to movements and countermovements, to different revisions and studies every 5 years, because the time frame in which the oil industry works is the medium and long-term period, and the time involved is generally above 5 to 10 years. We must have, we need, programs which are begun, which continue and reach a conclusion, for the period of expansion which we are now going through requires that there be some continuity. We can not subject our exploratory programs to revisions every 5 years, nor can we change our basic programs in refining every 5 years. Nor can our production goals be subject to constant fluctuations, except those imposed by the conditions of the domestic or international market.

"Our policies for the treatment of the Orinoco Oil Belt, to make it a tangible reality by 1988 and in subsequent years, can not be subjected to ongoing revisions.

"We have repeatedly urged that we be allowed to adjust the National Executive's policies, and to give crude a special treatment. Based on the situation of oil in Venezuela, we must be aware of what heavy crudes are going to mean for us in the future, and we are prepared to sign long-term contracts for heavy crudes. A responsive, flexible, dynamic, realistic, and pragmatic trade policy for this type of crude can not be allowed to be subjected to revisions.

"We must take an active part in international oil policy once we have defined the fundamental scope of this participation and policy. We must continue to work for OPEC's unity and solidarity. We must make an ongoing effort so that the difficult situation we are now facing may be overcome, and at the same time, we must work so that there will be no doubt about the appropriateness and necessity for Venezuela to continue its role of moderation, thoughtfulness, and reconciliation among all the OPEC members. Above all, we must be aware of the highly dissimilar political situations of the OPEC members. I believe all this means there must be a real possibility of reaching an agreement, as the National Executive has proposed on a number of occasions. And I think it will not be an agreement just to avoid difficult situations, but rather an understanding on basic issues affecting industry in the mid and long-term periods. I have always thought that the greatest contribution that our political parties could make to our national life, the best demonstration of their good sense and maturity, would be to reach an agreement on oil policy."

He continued: "Unfortunately, the everyday political conflict often prevents an understanding; often the parties give in to the temptation to bring the oil debate into the everyday political arena, which is a parochial and election-oriented debate. This is quite definitely not in the nation's best interests."

#### Present Status of the World Energy Market

An analysis of the energy market, including the oil market, and the behavior of replacement energy sources, such as coal and nuclear energy, with a summary and conclusions.

At the present time there is in the world energy market an oversupply of energy in relation to demand, which has caused a decline of prices in the international market, explained Gloria Obando, an official in the energy programming division, energy planning office of the Ministry of Energy and Mines. According to Ms Obando, "the market is saturated. The main cause of this saturation is that supply does not mesh with a declining demand. There are many causes which have contributed to this decline; we will mention just the most important here."

1. The economic recession in the west. This has been more severe and prolonged than expected. In 1980 economic activity in the industrialized countries declined considerably in relation to historic levels (4 percent). This was accompanied by an increase in both inflation and unemployment. To give an

indication of how this recessionary situation is affecting the industrialized economies, see that the rate of economic growth of the members of the OECD [Organization for Economic Cooperation and Development], measured by the increase in the real PNB [GNP: Gross National Product], declined to 1.1 percent in 1980, compared with 3.3 percent in 1979, and with the historic rate of 4 percent. There is also the fact that the two large industrialized economies, the United States and the United Kingdom, have had negative economic growth rates.

When we consider that the recession has been most severe in the capital goods industries, where energy consumption is high, then we can deduce the impact of the contraction of economic activity on energy demand, and how this generally affects the world market: a decline in prices.

2. Another factor which has tended to push demand downward is the gradual and growing replacement of energy, caused by high prices which, combined with conservation and rationing policies for energy uses, which started during the 1970s, have changed the world energy situation. This change is reflected in two aspects:

- a. The replacement of petroleum by other primary energy sources: coal and nuclear energy.
- b. The implementation of greater energy efficiency in industrial use or applications.

3. Another equally important factor in this situation of oversupply is the increased production by Saudi Arabia and other OPEC producers. There has also been an increase in production by some non-OPEC members. These increases have dumped on to the market large supplies of oil, producing an oversupply in relation to the weakened demand structure.

4. Finally, the use of stocks by the consumer countries. In 1979 inventories were estimated at 5.5 billion barrels. In 1980, they were estimated at 4.6 and 4.8 billion barrels, which indicates that in 1 year about 900 million barrels of petroleum from the inventories were used. The use of these stocks seems to indicate that, given the present conditions of oversupply or weak consumption, the consumer countries, for their present policy, have not set as a priority objective the increase in their oil supplies, as they did in the recent past, due to hostilities between countries of the Middle East, which led to price increases and shortages of crude.

The decline in inventories means, according to the author of this report, that the petroleum now being produced is being directed toward the sales market and not used to build up inventories.

The impact that this policy will have on prices is clear. In considering the effect of this change in policy on stocks, we can point out some factors that may affect this situation:

- a. Factors of a financial nature caused by high interest rates which raise the cost of storage or of maintaining inventories.
- b. Factors of a psychological nature.

Among the purchasers, there is an expectation that this oversupply will continue for a long time, and that prices will continue to decline; this affects petroleum demand. It delays or slows down today's demand in the expectation of better market conditions in the near future.

Following is an analysis of the energy market, including the oil market, along with the behavior of replacement sources, such as coal and nuclear energy, ending with a summary and conclusions.

1. The situation of the world energy market, which has shown lowered prices in the international market for oil and its by-products, has the following cause: an imbalance between supply and declining demand. The immediate effect is lower prices.

2. Factors which have had an impact on this oversupply situation are:

- a. The economic contraction of the western industrialized countries, characterized by negative growth rates, inflation, and unemployment.
- b. The gradual and growing replacement of energy, primarily the replacement of oil by coal and nuclear energy.
- c. The increase in production by Saudi Arabia and by other non-OPEC members.
- d. The use of stocks and inventories by the consuming countries, which means that the petroleum now being produced is being directed toward the sales market, with the consequent impact on prices.

3. World energy consumption declined by 0.73 percent in 1980, compared with 1979. The main cause of this decline was the contraction of about 3.75 percent in consumption by the United States during this 2-year period, which is 27 percent of the world consumption.

4. Energy production for the countries of the West declined by 1.19 percent, which amounts to the equivalent of 1,153,000 barrels of petroleum per day (in 1980 compared with 1979). The OPEC members reduced their production, while the United States and West Europe have increased theirs.

5. As for the use of different energy sources in making up world energy supplies, we find that there is a growing trend toward the use of primary sources other than petroleum. There has been a drastic decline in the use of oil (-4.8 percent between 1980-1979), in favor of a greater use of coal (3.5 percent increase).

6. During 1981, in comparison with 1980, world petroleum production declined by a rate of 5.7 percent. The OPEC production has had the greatest part of this decrease (16.35 percent in 1981 in relation to 1980). In the meantime, the non-OPEC members have been increasing their production (3.5 percent). There has also been a drastic reduction in consumption by the United States, the OECD countries, and Japan.

7. It is estimated that petroleum demand will not return to its former levels even if prices continue to decline, while the economies of the industrialized countries are suffering from the recession. This statement is based on the trend observed in oil exports and imports, and also on the replacement role being assumed by other primary energy sources, such as coal and nuclear energy.

8. In 1981 OPEC decreased its share in the export market to only 39.5 percent, or 18.3 million barrels a day. This is a cutback of 20.05 percent in relation to its exports in 1980 (22.8 million barrels per day). This fact is of some significance when we consider the development of exports from non-OPEC members, such as Mexico, Norway, and the United Kingdom, which have had a great effect on the emergence of the new petroleum export situation.

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CSO: 3010/2213

## BRIEFS

OIL REVENUE ESTIMATE--This year the treasury's oil revenues will be approximately 47.8 billion bolivars. This figure is within 4 billion bolivars of the budget's original estimates for this year. According to sources in the National Executive, the estimates made after the budget adjustment in early April are being easily met. And the goals that had been set are being exceeded. Preliminary estimates indicate that the 26-cent increase in the price of a barrel of petroleum may mean an increase in revenue of about \$200 million. [Text] [Caracas EL UNIVERSAL in Spanish 10 Aug 82 p 1-16] 7679

CSO: 3010/2213

## CAMILION ANALYZES ARGENTINE-BOLIVIAN POLITICAL, ECONOMIC TIES

Bahia Blanca LA NUEVA PROVINCIA in Spaish 24 July 82 p 2

[Article by Oscar Camilion]

[Text] For all those who despair of the possibility of building a nation under the present difficult circumstances, Bolivia may be an example and a stimulus at the same time. Not, of course, in the sense that that task of building will be an easy one or that the Bolivian model points out some sort of path for anyone, but in that Bolivia displays the capacity, little short of indefinite, of a national community to resist the blows of a crisis which has become a way of life.

Gen Guido Vildoso, who last year was one of the "strong" colonels, has replaced General Torrelio after the apparent "putsch" attempt headed by Col Faustino Rico Toro. We say "apparent" because, given the previous events, one supposes that Rico Toro's purpose was to precipitate the definite removal of Torrelio, rather than to take over the power on that occasion. Nothing actually indicates that the new situation is truly consolidated.

Nor was there a solid foundation under the government of General Torrelio, an officer of good will and limited capacities, who came to the presidency under extremely difficult conditions after the complex crisis which ended with the government of General Garcia Meza. At that time the situation in Bolivia was even more complicated, and action by external factors was much more notorious than at present, more in keeping with the traditional characteristics of a country which reflects, as none other, the true structural dimension of the crisis affecting the Latin American countries.

Garcia Meza became president thanks to the coup which prevented the accession of Dr Hernan Siles Suazo, after the elections in which Siles Suazo received the most votes. On that occasion, the insuperable differences among Siles, Paz Estenssoro and civilian groups of various tendencies which supported both leaders, plus the action of Hugo Banzer--who had insufficient political support to win, but enough to split the vote--thwarted the possibility of a democratic outcome.

#### Support for Coup

It certainly was no easy prospect which lay ahead of Siles Suazo, and much of the responsibility belonged to the most extremist leaders who made up his

coalition. But it is evident that the external factor conspired against the small potential of the candidate with the most votes. It would be a mistake to simplify things and say that the coup that brought Luis Garcia Meza to power was organized by the Argentine Government of that time, or, more accurately, by the Army High Command, but there is no doubt that the security of later support from Buenos Aires encouraged Garcia Meza's decision, which was destined to cause a very strong international reaction. That reaction was all the more logical because the military in La Paz decided on the coup after the elections, and after having repeated such interferences in the least presentable manner possible, if this type of term can be used in such serious matters.

The Bolivian events of 1980 could not, in truth, have surprised anybody, but the obvious Argentine presence after those events--unfortunately given prominence in more international commentaries than one might desire--is a matter for study of a different kind. Apart from that, the Argentine Government took the initiative in recognizing Garcia Meza in memorable circumstances (which brought relations between Buenos Aires and Washington to an extremely low ebb) before any other country did so, adding to this a financial support granted under conditions which were not made public and in quantities which were extraordinarily large for the objective capacity of the Argentine Republic. Suffice it to say that the Central Bank of Bolivia received a liquid financial injection of \$250 million in two loans of equal amounts from the Bank of the Nation and the Bank of Buenos Aires Province, turned over with practically no strings attached.

#### Risky Subject

When Garcia Meza assumed power, conditions in Bolivia were very serious: even underdevelopment has its limits, and the country was exceeding them. The Washington government adopted a severely critical and extremely adverse attitude for several reasons, and this drew similar attitudes from all the countries of Western Europe. The Socialist International and Christian Democracy coincided in their attitude of condemnation of the military government of Bolivia, and this was aggravated, in addition, by the appearance of the drug problem. There is not the least doubt that this problem exists, nor of the complicity of important sectors of the Garcia Meza government in the cocaine traffic. Nor is there any doubt that similar or worse problems exist in other countries in Latin America, without Washington's having shown anythink like the concern it displayed over Bolivia. The ideological element injected into the matter by the Carter administration is evident, and the influence of that element continued during the first part of the Reagan administration and is perhaps present today. But in any case, the question of drugs was there, and the notoriety of some very high-ranking personalities became an insolent provocation. Whether or not Gen Luis Garcia Meza was a direct accomplice in this detestable activity or not, he was only too clearly affected by the involvement of his subordinates, and his position became really indefensible without endangering the rather high level of real military power that he brought to his administration as commander in chief.

Garcia Meza's fall took place under conditions as anarchistic as those that accompanied that of Torrelio, and the succession of the latter was in no way

peaceful. In fact, the Bolivian Armed Forces were extremely divided last year, as were the civilian sectors. Nobody appeared to be in any condition to assemble a power group strong enough to ensure anything stable, and the opposition itself appeared to be singularly fragmented, without any sufficiently attractive new personalities, and disoriented, perhaps, by the very weight of the country's problems.

The subject of cocaine is, in this regard, particularly complex. As everyone knows, the tree that produces the leaf is traditional, and insofar as its use was limited to the altiplano itself, this was not only harmless, but necessary. It was during the 1970's that the planting of coca began to develop into an industry, when the use of cocaine spread rapidly throughout the world and networks for its distillation, sale and transportation were perfected. The center of cultivation for the "devil's tree" (as it was called because of its fertility: it produces four harvests of leaves per year and is resistant to any destructive agent) passed to the eastern provinces, along with laboratories for the preliminary processing of the leaves and clandestine airports by the tens, if not by the hundreds. The harvesting of coca leaves began to be of growing importance, as well as an increasingly substantial part of the peasant's farm production and of the services of sales and transportation, bringing in a substantial cash income. It is very difficult to calculate what percentage of the people began to have links with a traffic whose final value in the retail market in the United States is measured in fantastic figures (over \$30 billion).

#### The Current Picture

Several factors figured in the crisis which brought General Torrelio to power, one of them the virtual cessation of payments by the country and the decision of the United States to block any financial solution for Bolivia as long as the political picture did not change. However, the internal situation was not an easy one, and General Garcia Meza was able to continue residing in the house of government in La Paz after his resignation. The day the commander in chief of the Argentine Army was travelling to the United States, his first stop, in La Paz, occurred on the same day as the crisis with Garcia Meza who, although he had already resigned, went to the airport to greet the Argentine officer in company with the junta.

There were at least three factions of the armed forces, or rather, of the Bolivian Army, disputing at that time the right to occupy the Palacio del Quemado or, if one prefers, the fact of its occupation. In one of them the principal figure was Col Faustino Rico Toro, Garcia Meza's right-hand man and a member of the lodge or group called "Black Eagles," opposed by the groups from Santa Cruz de la Sierra, who were closer to Hugo Banzer. The constant travel of high-ranking Bolivian officials to Argentina, Peru and other Latin American countries came under criticism at that unfortunate time.

General Torrelio was always aware of his temporary situation and came out now with his call for elections, to which the new government is also committed. At least that is what the junta has proclaimed, after deciding to accept

his resignation and name General Vildoso. Since Colonel Rico Toro was confirmed in his strong position at the Military College, it can scarcely be thought that there are any new cards in a game where many hands are yet to be played.

The financial crisis, meanwhile, has reached such an unbelievable point that the banks had to close for lack of cash, which the printing shops tried to print hurriedly after the new president was sworn in. The foreign situation can be measured by the debt of nearly \$4 billion, interest on which is, of course, crushing for an economy which exports annually little more than \$1 billion. The truth is that the situation, measured in absolute terms, is not as serious for the international banking community as that of Argentina, Brazil or Mexico, but in relative terms it could not be worse: without a doubt this is the most critical period in Bolivian economic history. This aspect of the situation has special relevance for Argentina, because our country holds more than 15 percent of Bolivia's foreign debt.

#### Argentine Commitments

Argentine-Bolivian relations are conditioned in part by those important debts, but in addition by commitments assumed by our country. Outstanding among them are two: the construction of the railroad to Beni and the purchase of gas. The Santa Cruz-Trinidad railroad is the extension into the heart of the Bolivian Amazon region of the Yacuiba-Santa Cruz de la Sierra railroad. It is truly a titanic project which has been pursued with singular efficiency and persistence under extremely difficult conditions. Anyone who has had the opportunity to visit the section currently under construction, in the heart of the Bolivian jungle and more than 730 kilometers from the Argentine border and under the most adverse climatic conditions, understands completely how important cooperation between the two neighboring countries can be. For it is a simple fact that as a path is opened for the rails to pass through, civilization and development will begin to expand in the adjacent area. The forest will open to cultivation funneled through the railroad or its future path.

The other commitment is for the purchase of 6.5 million cubic meters daily of natural gas, to begin near the start of the next decade (there are two contracts with a difference of 2 years in their expiration dates, but the main thing is that Argentina is committed to buy gas from Bolivia during the 1980's). This obligation is extremely burdensome for a country which consumes daily a considerably greater amount than it is obligated to purchase. The figures, at current prices, come to over \$400 million per year which, given the enormous gas wealth in Argentina itself, has become an almost outright financial grant. That this should occur when both countries have as a neighbor the biggest importer of hydrocarbons in the developing world gives rise to something more than ridicule and indicates where the countries that want to free themselves from real dependency should direct their efforts.

The chapter on Bolivia's relationship with Argentina merits a high priority. The development of the Pilcomayo and Bermejo basins, the interconnected highway to the Pacific, the highway connection with Santa Cruz and, for the

future, if the world demand for iron should make it necessary, the development of the Mutun are some other aspects of equal importance in the bilateral area. To this may be added the mutual importance which Argentina and Bolivia have for each other in the area of security. In this regard it appears quite clear that the fate of Bolivia's institutional future will be strongly conditioned by the characteristics of the Argentine process and by its rhythm and development.

It is obvious that Argentina must reject any interventionist attitude with respect to its neighbor. It must do so for reasons of principle as well as for the proven ineffectiveness and high cost of any interference. It is also an important chapter in Argentine diplomacy to discourage interference by other countries in Bolivian affairs, most particularly by the United States. This does not prevent Argentina from placing itself at the disposition of those sectors in Bolivia which wish to reestablish institutional order, nor from conversing with other countries, including the United States, about how to cooperate with Bolivia. It is obvious that Bolivian stability means something in terms of security to its neighboring countries, and that the present situation is one of high risk and unforeseeable consequences. Dialogue with Bolivia is extremely important today, and the complexity of that country's internal situation suggests the propriety of keeping channels open to all sectors, including the opposition parties.

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## KING INTERVIEWED ON FUTURE PROSPECTS FOR CARICOM

Port-of-Spain SUNDAY GUARDIAN in English 15 Aug 82 pp 14, 24

[Interview with Dr Kirleigh King, CARICOM secretary general, by Sandra Baptiste: "Dr King Sees Need for Dramatic Hike in Extraregional Exports"; date and place not specified]

[Text] BAPTISTE: Dr. King, after nine years of regional integration, we're still experiencing some of the old trade problems, in particular the imbalance which Guyana and Jamaica have with member territories in their favour. What steps do you think are necessary at this point to bring about an improvement in the intra-regional trade situation?

KING: The only thing that can really do that is an improvement in the balance of payments situation in the member States. That is the fundamental problem. I don't know, quite frankly, how much more can be done. A lot of goodwill has been shown and all kinds of efforts undertaken, but unless the balance of payments position improves, then I don't think there's going to be a dramatic improvement.

Jamaica's position is looking quite promising. They've been receiving large sums of external assistance and I know that their manufacturers have been getting rather more foreign exchange for raw materials than in the past, though they're still complaining. I believe that Jamaica's position is either improved right now or should be improving quite significantly in the near future.

I am afraid that as far as Guyana is concerned, although much effort is being undertaken and although there's obviously goodwill on the part of the Government to do better, the economic situation there is so severe that I don't think we can expect much of a change there for some time to come.

I think I should mention that while intra-regional trade continues to be important, I think that the member States of Caricom over the past couple of months have been gradually arriving at the conclusion that they have to seek markets outside the region for their products. It is no use complaining all the time about the lack of markets, and the lack of foreign

exchange. One has to do something and since the oil crisis does not seem to be easing and the experts don't foresee a return to the old price levels, then one has to do something quite dramatic, and the key to it is extra-regional exports.

You will find that over the next six months to a year that this topic, "extra-regional exports", is going to be coming in for a tremendous amount of attention.

We're not saying that there is not still some growth possibility in intra-regional trade, but if we as a group of developing countries are to get out of this situation, then extra-regional exports are going to have to play an extremely important role.

BAPTISTE: How is the Secretariat helping member States to identify and capitalise on these extra-regional markets?

KING: We have about six different projects going right now connected with extra-regional exports. We've had a study with the World Bank on export incentives which makes some fundamental recommendations on the way we should operate, and it suggests that we are over-protective and that we must reduce that protection. The study is about to be considered by member States and we're going to be mounting a series of meetings of technicians, industrial experts, to look at the study and determine how far we can go.

We also have a project approved by the Inter-American Development Bank to the tune of \$600,000 to be channelled to us through the Caribbean Development Bank for export possibilities.

There's also a trade information system at the Secretariat, financed by the United Nations Development Programme (UNDP) and we're looking, too, at another

export promotion project, for which financing is being sought. Within the last six months there's been a flurry of activity on extraregional exports and we believe this is really a key to our success in the future.

Baptiste: What role is the Caricom multilateral clearing facility playing in intra-regional trade?

King: Well, it has been the saviour of intra-regional trade over the last several years. Without it, I think intra-regional trade may well have collapsed. It didn't collapse you know, a lot of people thought it did. There were some difficulties, but there's still quite a substantial volume of trade going on right now and that trade is being financed by the multilateral clearing facility. Unfortunately, there are only two countries that continue to be in credit, that is the other countries owe Trinidad and Tobago and Barbados money. Because of Barbados's own financial difficulties, they are really smarting a bit in terms of remaining in credit. If they could get some of the money out of the system it would help the Barbados economy I'm sure.

There's some concern as to how much more strain the facility can take. There have been increases in recent times in the level of trade that can be financed, increases in the amount of credit and increases in the length of time for the debt to be settled. But there are some countries which have not been able to settle their indebtedness to the facility at the required time and this is causing a strain.

Baptiste: Have you had any major problems with the implementation of the new rules of origin?

King: No, there have been no major problems. Though there have been difficulties, they were nothing of the kind that would cause one to say it should be scrapped. What has happened is that some of the products that we decided should only be traded duty-free in the region, if the materials came from within the region, are not materialising because the raw materials are not available and if they are, they are not available in the right quantities. And so some of the manufacturers who are expected to use these raw materials are unable to meet the qualification for duty-free trade and these matters have been drawn to the attention of the Caricom Council of Ministers. There are issues that can be resolved.

Baptiste: You've been stressing that the key to the success of the integration movement and the development of the member States is increased production.

But, you've also identified a number of constraints including the unavailability of raw materials and there's also the lack of skilled manpower in certain areas including agricultural management. While you've devised long-term plans like the regional food and nutrition strategy, what are the more immediate steps necessary for realising increased production?

KING: In the area of agriculture, the main thing that's happening is the Caribbean Food Corporation. For many years after its formation, it's been more or less inactive. But it is now active and has already set up a subsidiary, the Caribbean Agricultural Training Company (CATCO) in Barbados, which is expected to give a

great deal of assistance with the marketing of agricultural products. So I think the financing, marketing and management assistance available from the CFC should result in the next few months in change in the level of production in the agricultural sector. These mechanisms don't deal though with the cultural difficulties associated with working the soil.

In terms of industry, we have, as you know, now begun an industrial programming scheme. Some industries have been allocated. It's a modest start to the scheme, though there were some who argued that we would never get it off the ground and the fact that we have is a tremendous achievement. So with the industrial programme, plus the CFC and

the export thrust, which are three major new initiatives, that should help us to bring about increased production.

Baptiste: In addition to food, energy has been identified as one of the key areas for development in the Caribbean Community. What progress are you making in this direction?

King: The major project on a regional basis there, is the project financed by USAID for alternate energy systems. The project has completed in four countries a survey of their energy needs assessment. While these were much fewer than we thought we would have accomplished by this stage, we have learnt that the process is an extremely difficult one. In fact, we are just about to do a revision of the project with the sponsors and we realise that we will perhaps have to lower our sights.

There is obviously need for greater coordination between the secretariat and the CDB in energy, because the two parts of the project were designed separately. In the revision, we are providing for an expert who will be commissioned by both the CDB and Caricom and his task will be to oversee the coordination. This will mean a better flow of information between the two institutions and should result in more effective implementation of the project. We at Caricom are responsible for the policy and training aspect of the programme while the CDB deals with the communication and experimentation in alternative energy system.

Baptiste: On the question of regional air transportation, the Caricom "Group of Experts" say one of the major issues is coordination among the national airlines. Is this being tackled?

King: I should say first of all that I don't know if the necessary coordination is taking place. But I would also like to say that at the Secretariat we are convinced that the experts group which reviewed the future of Caricom in the 1980's is right in proposing that there should be even greater cooperation and in fact that there should be established something like an airline holding company. The Council of Ministers decided that this issue should be studied very carefully and the Secretariat has been mandated to convene a working group to look at it. The members of the group have been named and the meeting is expected to take place shortly.

Baptiste: We've been hearing for some months now that the long-awaited Heads of Government summit is in the offing and the most recent reports indicate that it will be held in Jamaica in October. Can you confirm this?

King: What I can say very definitely is that consultations are continuing for the convening of a Heads of Government summit. The fact that we are no longer planning to have the meeting in Guyana or Antigua does not mean that the plan has

been abandoned. Consultations have been taking place among the leaders, and yes, Jamaica has been mentioned as one of the possible venues. There are others also. I am fairly confident that we would be able to resolve the issue of venue and date very shortly and it may soon be possible to make a very definitive announcement.

BAPTISTE: Would you say that the October time table is practicable at this stage.

KING: Given that everybody wants to have it as soon as possible and that it's not possible to have it in August because of the sheer volume of work to be done and because it is usually regarded as a vacation month, and given the fact that September is scheduled for the Non-Aligned summit in Baghdad and the first weeks of the United Nations General Assembly, then September is also not a suitable month and therefore the earliest possible time is October.

BAPTISTE: It's expected that the economic situation in the region, security, the Caribbean Basin Initiative and the UWI would be some of the dominant issues at the forthcoming summit. What are some of the other pressing matters you feel need to get the attention of the region's leaders?

KING: Let me say that an agenda has not been agreed upon yet, though some suggestions have already been circulated to the heads by the Secretariat. In addi-

tion to the items you mentioned, if I may also speculate, I would think that they would want to be reviewing the international political situation which has become so awfully complicated in the last several months and which of course has its impact on the Caribbean. We do have a couple of Foreign Ministers' meetings every year, and they're expected to meet again before year-end, but I am quite sure that the heads themselves will want to look at these political developments from their perspective and perhaps give some overall direction as to how the Caribbean Community should be going in relation to the rest of the world.

In terms of international economic issues, the Treaty of Chaguaramas provides that there should be some coordination of our trade relations with third countries and it was a Heads of Government meeting that decided that the member States of Caricom should consult with one another before entering into aid and trade agreements with third countries.

If, for example, country X in Caricom wants to sign an agreement with Albania or Brazil, the Caricom country should inform its colleagues of its intentions and perhaps give some general indication of the nature of the agreement to be signed. This has not taken place and it may well be that the heads may want to look at it again.

CSO: 3025/419

## LEFT-WING ATTACKS ON CBI AS 'IMPERIALIST AGGRESSION' NOTED

Port-of-Spain TRINIDAD GUARDIAN in English 11 Aug 82 p 10

[Article by Jean Hackett]

[Text] THE CARIBBEAN Basin Initiative (CBI) has come in for some lashing by two publications of left wing organisations.

The anti-capitalist rhetoric and bit of hysteria apart, both documents offer a critical analysis of U.S. President Ronald Reagan's Caribbean Basin plan and offer some useful statistics.

The analysis, of course, is from a Marxist or leftist viewpoint but this is understandably natural since their protagonist Ronald Reagan has clearly implied that the CBI was anti-Communist in intent.

Dr James Millette is Head of the Department of History at the University of the West Indies, St Augustine, and Chairman of the Trinidad and Tobago Peace Council, and Mr Michael Aberdeen, an official of an obscure political organisation called the People's Popular Movement.

Dr Millette, in an article entitled: "The Regional Liberation Movement and the CBI" which appears in "Tribune: A Journal of Socialist Thought," published in St Lucia, sees the CBI as a reaction to a new wave of anti-imperialist resistance in the Third World.

"In essence the Caribbean Basin Initiative is a new model of imperialist aggression located in the circumstances of the international and regional

realities of the last quarter of the 20th century and associated by ancestry with the growth, development and maturation of United States imperialism since 1898."

At that time the United States, itself at one time a colony, emerged on the world scene as a new imperial power bidding for its share in the partition of the world which was then taking place."

Dr Millette then goes on to give a brief historical account of this sort of activity in the 19th century and the progressive emergence of the United States as an industrialised country.

## INTERVENTIONS

He also documents US military interventions in the Americas from the turn of the century to date, as well as the rest of the world.

It is against this background that Dr Millette places the CBI in what he sees as its correct historical perspective, and warns that this new plan" represents imperialism's latest and most desperate attempt to stem the historical tide, to bolster and support the reactionary forces and to call a halt to the decolonisation process of the last 40 years."

He further argues that "anyone who fails to

understand or tries to represent the CBI as a normal, innocent aid and trade package is guilty of ignorance or duplicity, or both."

"The CBI is a new model of imperialist aggression, tailored to unleash a multi-faceted, open-handed, no-holds-barred attack upon the people of the region, their lives, interests, security, independence and living standards.

"Aid and trade are part of the package — but only part of the package."

He sees the CBI as undoubtedly "of the greatest specific importance for this country," claiming that the aims of the CBI in this era of imperialism are:

TO HARASS, to hurt and destroy the regimes and the societies which have already taken a revolutionary or non-capitalist path and have adopted an anti-imperialist position.

TO SHORE UP, to assist and to consolidate those regimes and societies which are still enmeshed in capitalist relations and which are committed, above all, to the conscious perpetuation of those relations and to the adoption of a pro-imperialist position.

TO NEUTRALISE, to undermine, to weaken, to overthrow or, if possible, to win over those regimes and societies which thought objectively on a

capitalist path are lukewarm or ambivalent on the question of imperialism.

According to Dr Millette, Trinidad and Tobago would fall in this last approach.

### ADVANTAGEOUS

He believes Barbados "geo-politically speaking, is far more advantageous to imperialism" than Jamaica but what makes Trinidad and Tobago and Barbados of overwhelming importance to the designs of imperialism in the geo-political framework is, of course, the existence of revolutionary Grenada."

As he sees it "in 1980-1981 imperialism's preferred option was to replace PNM petty bourgeois rule by ONR's full-blooded commitment to big capital and imperialist penetration."

According to him, this having failed, "in 1981-1982 imperialism's preferred option is the CBI, the main object of which is to strengthen the forces of capitalism and to prepare the road for the ultimate takeover by capitalism."

Dr Millette notes that "so far the PNM has not rejected the CBI, but it has not embraced it either."

Aberdeen analyses the CBI in a 27-page document entitled "The CBI — A strategy for U.S. domination and plunder."

This booklet contains a fair amount of statistics and a couple of graphs.

Aberdeen, like Dr. Millette, states that "the major preoccupation of the U.S. President at this point in time is to reverse the revolutionary gains made by the progressive forces via his counter-

revolutionary and anti-Communist crusade."

### WORKABLE

He adds that "Reagan's proposals to solve the grave and serious economic problems of the region are totally useless and unworkable."

"More and more the people of the region are beginning to consciously recognise the real source of their backwardness and poverty as the US itself, and not any Soviet or Cuban inspired insurgency, as U.S. imperialism falsely alleges."

Aberdeen discloses that according to conservative estimates some \$20 billion (US) was needed to meet Central America's basic needs over the next decade but the CBI was offering a paltry \$350 million (US) to both Central America and the Caribbean.

According to Aberdeen's research, the CBI has to be seen against the debt background of the 24 recipients who owe more than \$24 billion (US) collectively and had a debt service charge of \$867 million (US) in 1979.

He states that 13 guidelines, one of which called for participation in the programme to be open at all territories in the region, was ignored by President Ronald Reagan and his advisers.

He recommends as an alternative to the CBI "a path of development free from imperialism and complete independence" to "guarantee the region's economic social development, stability and regional security."

## ACP OFFICIAL SAYS FUNDS NOT USED PROPERLY IN CARIBBEAN

Port-of-Spain TRINIDAD GUARDIAN in English 12 Aug 82 p 14

[Text]

CARIBBEAN countries receiving funds from the ACP were not disbursing money for the projects earmarked Secretary General of the ACP, Thomas Okelo Odongo said yesterday.

The Secretary General said that they had looked into the use of funds provided for use in the area, and had found that less than half had not been dispersed, and in some cases, not even earmarked for use.

Some countries have not even identified projects to which the funds were allocated, and no agreement reached on what should be financed. He said that he had no idea of the reason for this.

Speaking at Press conference on Tuesday, the Secretary General pointed to the importance of trade between ACP and EEC countries. He said that some 80 per cent of the trade were between the ACP countries and the US and Britain.

He said they had formed a working party to look into the reason why not much progress was being made in the trade between the EEC and ACP.

The ACP and the EEC were trying to find ways to im-

prove trade as well, among the ACP countries themselves, Mr. Okelo-Odongo said.

He said that in terms of intra - ACP trade, there are only about some five per cent, when compared to trade done with the rest of the world.

"Much effort will have to be made by the ACP countries so they can improve trade among themselves," he commented.

On sugar, Mr. Okelo Odongo said that he was impressed by the amount of acreage and manpower employed at Caroni, but that he was disturbed by the high cost of production, and by the fact that the Government was subsidising both the consumer and producer.

Mr. Okelo-Odongo said that he and his party had found talks with this country "very useful." He said that the talks centred around discussions on trade, the ACP Secretariat Stabex, and the future relations of ACP and EEC countries.

The Secretary General said he had been impressed with his visit to the Point Lisas industrial area, and had been able to see first hand, the effort being made by Trinidad and Tobago, in this particular area of development.

CSO: 3025/419

## ST KITTS-NEVIS PREMIER SEEKS FINANCIAL AID IN TRINIDAD

## Boost for Diversification

Port-of-Spain TRINIDAD GUARDIAN in English 12 Aug 82 p 1

[Article by Jeff Hackett]

[Text]

ST KITTS-NEVIS is seeking a maximum of \$20 million (EC) from Trinidad and Tobago for its economic diversification programme.

And Premier Dr Kennedy Simmonds, who yesterday put his case to Prime Minister George Chambers over a sumptuous two-hour lunch at the Hilton, told the Press afterwards that "the response has been encouraging."

The young leader of the twin island State which hopes to become independent by the middle of next year said:

"We sought financial assistance as regards our diversification programme. Although tourism is important, we are not looking at one sector of the economy. We are looking at the overall programme of development in which one sector must complement the other. Agricultural development must complement tourism."

When asked the quantum of financial assistance he was seeking, Dr Simmonds replied that "initially anything up to \$20 million (EC) would be very useful."

He said the response (from Mr Chambers) was encouraging.

Said Dr Simmonds:

"I didn't expect a quick yes answer to my request.

He added somewhat jocularly:

"A quick no answer would have been discouraging. That

didn't come also."

Dr Simmonds added that he was optimistic.

He said the overall diversification programme involved agricultural diversification utilising sugar lands for housing and also livestock production.

Dr Simmonds stated that the level of co-operation from Trinidad and Tobago in the past was excellent, noting that this country had already loaned it \$4 million to develop a deep water harbour.

British West Indian Airways (BWIA) also boosted tourism in St-Kitts-Nevis, the industry growing at a time when it was falling off in other Caricom territories.

Dr Simmonds disclosed that he also discussed future areas of co-operation and the prospects of a Heads of Government conference with Mr Chambers.

External Affairs Minister Dr Basil Ince was present at the luncheon which took place after Dr Simmonds visited the Prime Minister at Whitehall around 11.45 a.m.

Dealing with the question of a regional coast guard, Dr Simmonds said that the matter was "still in the works" since money was the problem.

Such an entity would deal with the question of the protection of fishing zone, smuggling and external defence.

Dr Simmonds was the second Caricom leader to visit this country this week. Prime Minister John Compton of Saint Lucia having made a one-day visit here on Monday.

Dr Simmonds, who flew in on Tuesday night, is scheduled to return home at 9.30 a.m. today.

Comments on Grenada

Port-of-Spain TRINIDAD GUARDIAN in English 12 Aug 82 p 1

[Text]

STRESSING that there was nothing to be gained by "ostracising" any Caricom territory, Dr. Kennedy Simmonds, Premier of St. Kitts-Nevis, said yesterday that his Government had no objections to Grenada attending the forthcoming Heads of Government conference.

Dr. Simmonds told a Press conference this following a two-hour luncheon with Prime Minister George Chambers and External Affairs Minister Dr. Basil Ince.

He said it in the presence of Dr. Ince who was also present at the Press conference at the Hilton's Humming Bird room where the trio lunched.

Replying to a question, Dr. Simmonds said:

"As far as I am concerned, my view is that every Caricom country should be welcomed."

He said that there were things which he understood was happening in Grenada with which he did not agree.

FRANK DISCUSSION

"But", Dr. Simmonds

added, "we are all Caricom countries and I think the best way for us to settle our problems in the Caribbean is for all of us to get together and discuss them frankly, face to face, and try and find ways and means of influencing each other, but I don't think there is much to be gained by ostracising any of the members of Caricom."

He said he did not see the situation as a "Grenada issue" to be put on the agenda for discussion.

Earlier he said that "we need to improve the public awareness of Caricom and to emphasise the positive in this regional grouping rather than the negative."

He felt that the inclusion of a human rights clause (in the Caricom agreement) was necessary and pointed out that the whole question of human rights was taken for granted.

Dr. Simmonds said that since coming into office two-and-a-half years ago, he had met every Caribbean leader with the exception of Guyana's President Forbes Burnham.

CSO: 3025/419

## INTRA-CARIBBEAN TOURISM UNDERGOING NEW DEVELOPMENT

Bridgetown ADVOCATE-NEWS in English 4 Aug 82 p 2

[Text]

There is a big move afoot to develop intra-regional travel. The man behind the scheme is Jamaican, Mr. Desmond Henry, a former Director of the Jamaican Tourist Board, and former president of the Caribbean Tourism Association.

Mr. Henry, Director for Marketing and Promotions of Tourmarks, Kingston-based tour operators, leaves here today at the end of a promotional visit.

He said his aim was "to put in place" an experiment that has been much talked about in regional tourism — that of developing intra-regional travel, particularly in the summer months.

Initially, Tourmarks will be concentrating its efforts on Barbados, Antigua, Trinidad and Jamaica in association with British West Indian Airways (BWIA) and Air Jamaica. As time goes on, however, the entire Caribbean area will be included in the plan.

Tourmarks is currently promoting a series of packages out of Barbados and Trinidad into Jamaica and visits by Jamaica citizens into Antigua, Barbados and Trinidad.

The packages entail a choice of three days and two nights, five days and four nights or eight days and seven

nights.

The tour operators are working in collaboration with a local travel agency and with a tour operator in Trinidad who will act as consolidators.

Mr. Henry noted that Caribbean islands have for years been promoted as route stops but not as holidaying destinations.

"When you look at the volume of people in the region, it seems to us logical that if someone took time out to make it convenient for people to travel inside the region, tourism in these islands will be on the increase."

Mr. Henry said that this would, in the long run, help the people in the region to know one another better.

He noted that the Caribbean had lost the European market to some extent and the people in the region can fill the void created by the loss of that market.

"We have to look at our own internal markets...we have concentrated in the past on external markets", Mr. Henry said.

Tourmarks will also be concentrating its efforts on meetings and conventions by professional groups.

Groups visiting Jamaica will have a choice of four holiday destination areas — Negril, Montego Bay, Ocho Rios and Port Antonio.

## ST LUCIA'S COMPTON COMMENTS ON ASSISTANCE ROLE OF TRINIDAD

Port-of-Spain TRINIDAD GUARDIAN in English 10 Aug 82 p 1

[Article by Norris Solomon]

[Text]

THE ST LUCIA Government is trying to sell Treasury Bills to Trinidad and Tobago to assist in meeting that country's budget deficit.

St Lucian officials have held talks with the Central Bank and the Ministry of Finance on the matter.

This was revealed by Mr John Compton, Prime Minister of St Lucia, who paid a one-day visit to Trinidad and Tobago yesterday and held discussions with Prime Minister of Trinidad and Tobago, Mr. George Chambers.

Mr. Compton said that St Lucia was not coming to Trinidad and Tobago to ask for money or to ask for any assistance, but if St Lucia could get any benefit from Trinidad they would look for it.

"We don't come to Trinidad as mendicants" he said.

In a wide ranging interview after a working luncheon with Prime Minister Chambers, he said:

"We are strapped for short term financial assistance. We have a budgetary deficit and we are issuing treasury bills. We want to know whether Trinidad and Tobago will want to purchase any of our Treasury Bills.

That was the most immediate thing with respect to financial assistance he said.

His Secretary of Finance was "talking" with the Central Bank of Trinidad and Tobago and officials of the Ministry of Finance, he said.

His visit to Trinidad was purely exploratory, he explained.

He felt that one of the best ways Trinidad and Tobago could assist St Lucia and the region was to get Caricom moving.

## THOUGHTS

Yesterday's working luncheon was held at the Hilton Hotel and sitting in was Minister of External Affairs, Senator Dr Basil Ince.

Mr Compton said that both he and Prime Minister Chambers earnestly hoped that a Heads of Government meeting will be held this year.

The Heads of Government meeting has been tentatively scheduled for October in Jamaica.

Mr Compton said he and Mr Chambers had been close friends for years and he felt that they ought to share some thoughts on matters of regional interest.

On Caricom, he said that he was seeking to have the Caribbean speak with one voice. We have not been using the influence which the Caribbean has in the world.

"Whether the Heads of Government conference comes out with anything or not, just the fact of that meeting would be a psychological boost to the movement." He added that the region was drifting without any positive direction from the leaders.

## PROBLEMS

Questioned on the role Trinidad and Tobago could play in St Lucia's development, he said "We want to do our thing on a regional basis. We don't want to start fragmenting Caricom to say we have special relationship with Trinidad and Tobago."

However he noted there was a "mutuality of ideas" between Trinidad and St Lucia which he felt should be made known at Heads of Government level.

"We have a similar interest in getting Caricom reactivated."

"Your elections are over. Our elections are over. Let us try and get together and get the regional movement going again."

"A lot of the problems we are facing in the region and in the world is due partly to the fact that we are not co-ordinating our activities."

"We are too fragmented. We have so many votes on international bodies, we should use them as a community"

One of the achievements of Caricom, he felt, was the fact that member countries talk and work together in certain fields and while there were

achievements at functional level in trade and education, the fact that the Heads of Government were not meeting tended to diminish these achievements.

"As far as St Lucia is concerned," he said "we would never have hoped to go into the industrial field if it was not for Caricom. As a result, the country now has 3,000 jobs on the industrial field."

He had no objections to bilateral agreements, but they should not be dictated by outside countries.

"These agreements undermine the area and serve to weaken the integration movement. There is bartering and it is in these areas that we object to bilateralism."

Mr Compton said that Caricom was in danger, and the industrial plant in the region was working under capacity.

"The trading element in Caricom is not operating at its best. Our industrial capacity is underutilised."

He said that they had to look at industrial development in the region and see whether it could be straightened out.

"We and Trinidad are partners in that venture."

CSO: 3025/420

## GOVERNMENT AGAIN UNDER FIRE, ACCUSED OF MISHANDLING HUGE LOAN

## ACLM Charges

Bridgetown ADVOCATE-NEWS in English 5 Aug 82 p 3

[Text] ST. JOHNS, Antigua, Wednesday, (CANA) — The Antigua and Barbuda Government denied allegations by the vocal, left wing Antigua Caribbean Liberation Movement (ACLM) that a US\$1 million of a loan it received from Brazil could not be accounted for.

It was the second time in less than a week that the government found itself responding publicly to allegations of corruption by the ACLM.

In a July 23 story headlined "case of the missing millions" the ACLM organ, *Outlet*, alleged that Banco do Brazil had released US\$10 million of a US\$90 million loan to the Antigua Government and that \$1 million of it was now missing.

But a government statement said the loan agreement quite specifically indicated that the sum involved was US\$9 million.

Any reference therefore to \$10 million is an invention by the ACLM, the statement declared.

The statement explained that the loan agreement related to a hotel complex which "a reputable firm of Brazilian engineers" — MAKAP — had been contracted to build here for the

## Antigua and Barbuda Government.

The first phase of the project involves the carrying out of engineering studies and the production of four models of the project.

The statement said that under the terms of the loan agreement between the government and MAKAP, which secured the financing from Banco do Brazil, the bank is obliged to pay the US\$9 million directly to MAKAP.

"Further, it is precisely because the agreement stipulates that all monies should be paid directly to MAKAP that the Government of Antigua and Barbuda did not receive "one penny" of the loan funds which were released" the statement declared.

Indeed, the fact that Banco do Brazil paid the money directly to the engineering firm is evidence that none of it could have disappeared" as the *Outlet* alleged, the government said.

Outlet had also alleged that one doctor Stanley Siegal "through his Antigua International Bank had to act on

behalf of the Bird Regime as receivers for the Brazilian loan funds."

The government denied this and released the text of a letter dated April 8, 1981 signed by the Prime Minister Bird and the then Finance Minister John St. Luce, which authorised doctor Siegal to act as agent in relation to the hotel project, but not to collect any monies.

In fact the letter authorised doctor Siegal to act as an agent for selling time sharing space once the project was completed, and asked that he provide adequate controls and audits to satisfy the government that all receipts from the projects were properly accounted for.

The government said that from the official documents it released it was clear that it had acted with responsibility and propriety.

The statement accused the ACLM of deliberate deception and announced that a copy of the loan agreement had been forwarded to the leader of the Opposition here, Mr. Robert Hall.

Government on Defensive

Port-of-Spain TRINIDAD GUARDIAN in English 11 Aug 82 p 15

[Text]

ST. JOHN'S, Tues:  
PERSISTENT ALLEGATIONS of corruption within the Government here have forced the Antigua Labour Party (ALP), regime of Prime Minister Vere Bird on the defensive.

After a lengthy silence the Administration is now strenuously denying the charges.

Spearheading the attack is the leftwing Antigua Caribbean Liberation Movement (ACLM), led by Tim Hector. The tiny but vocal political pressure group has been making startling disclosures for a long time, both at public meetings and in its official mouthpiece, "The Outlet" newspaper — allegations about missing money, the sale of Antiguan passports overseas and about a suspect land deal.

The corruption episode now sweeping this twin island independent State, gained momentum in June when "Caribbean Contact," the monthly newspaper of the Caribbean Conference of Churches (CCC) called on the Bird Administration to mount an official inquiry into the charges.

In a strongly-worded editorial, the paper, which is circulated throughout the region referred to "increasingly credible reports in and out of Antigua Governmental corruption" and suggested there was a link between the administration in St. John's and "Mafia-type" characters and racist South Africa.

The call by "Contact" got the full backing of the church umbrella organisation here, the Antigua Christian Council. It said though the onus of proof rested on the accuser, Government in this case should mount an enquiry to determine the truth of the allegations or otherwise — or take the issue to the polls.

Prime Minister Bird, in a letter replying to Council Chairman Donald Reece, took the ACLM by the

scruff of the neck. He called it an embittered organisation which had failed miserably at the polls in general elections.

"The Outlet" cannot be expected to do anything else but carry allegations of wholesale corruption against my Government. No one should expect a desperate Marxist Party to do anything else," the Prime Minister said.

He added: "My Government will certainly not institute inquiries as a response to allegations by a group of politicians who failed (in general elections) to secure 300 votes among them. Instead, we are of the view that the local courts provide an adequate forum to investigate and redress any of the matters raised."

But almost simultaneously, the Government appointed Attorney-General Keith Forde and his predecessor Cosmos Phillips to examine the allegations with the help, wherever necessary, of the Commissioner of Police.

The committee, according to a Government statement, would "consider allegations of corruption made in the public media and at (political) meetings, with a view to initiating procedures as are indicated to have those allegations examined and determined publicly by appropriate and competent tribunals."

Then suddenly on July 23 police raided the offices of "The Outlet" and announced they had seized "classified Government documents." Persons who had allowed the documents to fall into the hands of the ACLM would be charged under the country's Official Secrets Act, said Police Superintendent Edric Potter.

Furthermore, he said, the paper was operating illegally and the publishers had been ordered to stop immediately.

ACLM leader Hector, however, saw the move against his organisation by the authorities as a suggestion of fear on the part of the Government. "They are now in search of those documents in order to cover up their own corruption," he remarked.

But the ACLM assault on the Bird Administration forced the Government on two occasions within the past week to publicly deny and explain the circumstances around the latest charges of corruption levelled against it.

Government went further and announced it would take legal action against the ACLM leadership.

One of the two ACLM charges suggested that Government was involved in a racket in which Antigua passports had been sold overseas for a fortune. The ACLM mentioned Greece as the country in which the State documents had been sold.

The ACLM also suggested that one million dollars (US), part of a loan the Government had received from Brazil for the construction of a hotel complex, could not be properly accounted for.

The past week saw the Bird Administration go to great lengths to give the lie to the ACLM campaign. Government made photo copies of a wide range of correspondence, contracts and other related documents to deny all the charges.

The Bird regime acknowledged a passport racket, but made it clear that it had taken place in 1975, when the ALP was out of power.

## MINISTER OF AGRICULTURE CALLS FOR HIGHER OUTPUT OF SUGAR

Bridgetown ADVOCATE-NEWS in English 6 Aug 82 p 1

[Text]

An increased tonnage of sugar is one of the most important linkages to Government's support formula for sugar.

About three weeks ago Government announced that it will be making available a soft loan of Bds\$20 million to Barbados Sugar Factories Limited to help the ailing sugar industry out of its depressed state.

And details of the formula were outlined to sugar producers by Agriculture Minister, Dr. Richard ("Johnny") Cheltenham, when he met with them at the Hilton Hotel yesterday.

Dr. Cheltenham said that the price support formula was not only designed as a support for the sugar industry but an incentive to produce more.

"The industry cannot survive in the long future and at the present cost level at 90 000 tons of sugar or 100 000 tons of sugar or anything in that region", he submitted.

He said that a viable ton-

nage of sugar was perhaps 120 000 to 125 000 tons.

"It makes no sense for us to continue in the industry unless we are aiming to have a tonnage of sugar well beyond that which provides break even point."

"It makes no sense for us to remain in sugar, hoping, as I am sure will come good times and high prices, unless when the high prices come we have that 140 000, 145 000, 150 000 tons of sugar so that we can take advantage of high prices and good times."

Dr. Cheltenham said that Government was satisfied that it cannot allow the so-called marginal estates to go out of production.

He said if they were not in production that "minimal scale of operation sometimes referred to as the critical mass without which the sugar industry cannot be viable" would be lost.

He pointed to the south eastern corner of Barbados and parts of St. Michael and St. Lucy as those low rainfall marginal areas.

The Minister told the sugar producers that it was recognised that in some

respects the sugar industry was still operating as though we were set at the turn of the nineteenth century.

He said we had not yet reached the stage where we could point to viable alternatives for sugar.

Dr. Cheltenham stated that the major challenge facing the industry was how to manage machinery rather than men.

He intimated that there was a need to improve management procedures and practices on the part of the industry itself.

"Every authority is an expert on managing men. That is how the industry used to operate in 1930, 1940 and 1950 when 24 000 or 30 000 people worked directly in the sugar industry.

"Only 4 000 to 5 000 people now work in the sugar industry outside of the reaping season and the necessity obvious to all of us is how to mechanise even more rapidly. The big challenge in the industry is not so much how to manage men but how to manage machinery.

"That is just one illustration of the necessity to come to terms with new challenges and to meet new requirements in terms of management and operational practices and procedures."

Dr. Cheltenham noted that the industry had already committed itself to modernising management procedures and practices.

## EDITORIAL QUESTIONS SECRECY, ADVISABILITY OF MOBIL BUY

Bridgetown THE NATION in English 6 Aug 82 p 4

[Editorial: "Too Much Secrecy on Oil Deal"]

[Text]

ONE week ago the Government of Barbados signed an agreement with Mobil Corporation of the United States to purchase their drilling and production facilities in Barbados.

The Government is paying Mobil some US\$12 million, half of which is for inventory and equipment.

Announcement of the purchase came as a surprise to many.

The greatest contributor to the element of surprise in the announcement has to do with widespread concern over the advisability of Government's decision.

What reasons have been advanced by government for the purchase?

According to the Prime Minister Tom Adams, the following form the substantial reasons according to government's thinking:

- an opportunity to aim at self-sufficiency in crude oil; — a safeguard for Barbados' national interest;
- an effective control of an important area of the economy;
- a considerable saving of valuable foreign exchange;
- the availability of a continuous supply of natural gas;
- saving of the jobs of 40 employees of Mobil Exploration (Barbados) Limited.

All of these reasons were advanced by government after the completion of the agreement, a well preserved secret until one week ago.

We are told that eight weeks ago, government was informed by Mobil of its intention to sell its drilling and production operation in Barbados. We are not sure that government has had enough time to study all of the options open to it on this matter, and we wonder why the haste in completing such an agreement.

Although some point has been made of the importance of saving the jobs of 40 Barbadians, some of whom have highly specialised skills, we are not sure that this in itself can be advanced as a substan-

tial consideration, although every effort has to be made to preserve jobs at this time.

The point about saving valuable foreign exchange is appreciated.

However, we must not forget that since 1980 there has been a drop in the output of crude oil here. In fact, in 1981 crude oil production fell by 30.7 percent to 211 375 barrels as against 305 454 barrels in 1980. In 1980 we were accounting for 24 percent of the oil consumed and this dropped to 15 percent last year.

In the absence of an undertaking that this output will be increased, the benefits in terms of foreign exchange earnings could be marginal given the on-going efforts at energy conservation and alternative sources of energy which enjoy the full attention of government if one reads the manifesto of the ruling party correctly.

Other questions arise: Why is Mobil pulling out? Why have they made no public statement that is even remotely supportive of government's decision to move in? If the prospects for expansion of Barbados' oil industry were apparent, would Mobil have pulled out?

On the basis of information supplied so far we recognise that there are definite short-term advantages in so far as job preservation is concerned, and indeed, in so far as saving the country's precious foreign exchange.

But what of the long term?

We need to be told more.

The purchase by government of the assets of Mobil has not been treated in the spirit of open government. It has been very much a closed deal.

The people of Barbados must be given full facts and figures to support the decision, not only because of the specific needs of this case, but also because government must be aware of the need to be more fully accountable to its masters — the electorate of Barbados, on whose behalf they are empowered to act.

## TOURIST ARRIVALS SHOW 26 PERCENT DROP IN JUNE; EARNINGS UP

Bridgetown SUNDAY SUN in English 8 Aug 82 p 1

[Text]

**BARBADOS** recorded a whopping 26.7 percent decline in tourist arrivals for June this year, compared with the corresponding month last year, according to official statistics just released.

The figures reflected a continuing decline in the vital revenue-earning industry, attributed mainly to the economic recession in North America and Europe. The decline in April was 4.5 percent and 14.8 percent in May.

According to the Barbados Statistical Services Department, 16 713 tourists visited Barbados in June, as compared with 22 791 for the same period last year.

Arrivals from the United States were down 25.1 percent, Britain 29.1 percent, Canada 21.6 percent, Trinidad and Tobago 32.5 percent and the Caribbean Community (CARICOM) 10.3 percent.

West Germany and Europe recorded the highest declines, with 41.7 percent and 41.6

percent respectively. Venezuela, Barbados' smallest tourist market, recorded a 27.1 percent decline in visitor arrivals.

Visitors from the leading market, the United States, in June totalled 4 718 compared with 6 299 last year, while those from Britain were 3 499 compared with 4 929.

Tourists from Canada were down by 401 to 1 458 compared to 1 959 in June last year.

Trinidad and Tobago, Barbados' main Caribbean Community (CARICOM) market showed a fall of 32.5 percent with 2 505 visitors arriving in June compared with 3 711 last year.

West Germany, whose tourist arrivals had been on the decline for the past five months provided 368 last June compared to 631 in 1981.

Visitors from Europe were down to 1 102 for June compared with 1 888 for the same period last year and visitors from Barbados' only South American market, Venezuela, were 229 compared with 314 last year.

The Statistical Service said that the only bright spot in tourism for the month of June came from the cruise ship sector where there was an increase in arrivals of 46.1 percent.

The number of visitors passing through on cruise ships totalled 6 979 compared with 4 776 last year.

Last year Barbados' tourist arrivals fell by five percent with the United States and Canada the hardest hit markets.

However, the country earned \$524 million in foreign exchange from tourism. This was an increase of about \$24.9 million on 1980 receipts.

**INDEPENDENCE IN 'MIRAGE' MAINTENANCE WITHIN 90 DAYS**

Bogota EL TIEMPO in Spanish 28 Jul 82 p 19-C

[Textp Colombia will cease to depend on Israel for the repair and maintenance of its Mirage warplanes within 90 days thanks to the technological efforts made in this country, especially by the noncommissioned officers of the Andres M. Diaz Air Force School which tomorrow, Thursday, celebrates its 50th Founding anniversary.

Defense Minister Gen Luis Carlos Camacho Leyva will head the celebration of these 10 decades to be held at the Madrid School (in Cundinamarca) and at the Maintenance Command, located next to the Andres M. Diaz school.

Col Jesus Ramirez Trillos, commander of the noncommissioned officers school, and Col Fernando Restrepo, commander of the Maintenance Command, have asserted that Colombia is saving foreign exchange thanks to the professionalism and expertise of FAC [Colombian Air Force] noncommissioned officers since it is no longer necessary to resort to other nations for the repair and maintenance of FAC warplanes.

Colombia currently has a 50-percent dependence on Israel for maintenance of its M-5 planes, but will be completely responsible for their repair in less than 90 days, the officers said.

They added that the Maintenance Command in Madrid recently repaired 7 warplanes and 18 turbines from Ecuador, and many planes for Colombian official and private agencies.

The Andres M. Diaz school annually graduates 100 technicians from the 2,000 who apply. The reason for the low number of graduates is that many applicants have physical problems, particularly back problems, as well as psychiatric ones.

Students take specialized courses in their second year and some are sent to Panama for advance courses as noncommissioned technicians.

Colombia sends to Panama students who still have not become specialists, as opposed to other countries that send only those who have graduated.

The school's noncommissioned officers officers also receive technical and military training, and take SENA [National Apprenticeship Service] courses such as accounting, correspondence, filing and other office skills. Some are permitted to complete their bachelor's degree at the school, which they regularly enter after completing the 4th year of secondary schooling for technicians.

#### Opportunities Abroad

By means of an integral system adopted by the commanders of air forces of the Americas, Colombia recently offered 20 spaces to foreign students who may want to take advance specialization courses in this country.

The Andres M. Diaz noncommissioned officers school was founded in 1932. It has the most modern technological shops for the maintenance and repair of FAC aircraft and for other work related to electronics and technology in general. Among other equipment, the school has an electronics laboratory, the only one in this country and acquired recently from Italy.

The technical or noncommissioned officer student receives broad apprenticeship on every part of a plane. An Israeli mission currently in Colombia is now involved only in giving final instructions on how maintenance on M-5 or Mirage planes should be performed.

The school also has technical and academic libraries which permit the student to do research work. Likewise, it has a projection room with betamax and video recorders to complement training.

The Andres M. Diaz noncommissioned officers and technicians are required to learn English, and the school has modern language laboratories for this purpose.

#### History

The Andres M. Diaz noncommissioned officers school first was named "Mechanics School," a name especially chosen by the ground personnel company. Its purpose was to take care of the Aviation School that had been operating since 1925 under the direction of a Swiss mission.

Luis E. Sepulveda, Julio A. Parga, Rafael Samper and Justino Marino were among the Colombians who learned from the knowledge and experience of that foreign mission. They continued the technical and logistics classes at the school and later were assigned as instructors of aerodynamics, engines, sheet metal, carpentry, airframe repair, painting and other skills.

The school's first noncommissioned officers had the great responsibility of providing technical services to aviation during the war with Peru in 1932.

That conflict, known as the "southern emergency," helped to demonstrate the professionalism and ability of Colombian mechanics who worked untiringly alongside Germans.

The knowledge acquired was subsequently applied to civil aviation which at that time was more developed than military aviation.

The FAC noncommissioned officers school has had several names: School of Radiotelegraphy and Mechanics, School of Aircraft Mechanics, School of Technical Personnel, School Squadron of Military Aerotechnicians and Andres D. Diaz Noncommissioned Officers School.

#### Development

More than 50 professional courses have been taught at the Andres M. Diaz school since its founding. Military and civil aviation have benefited from these courses. The Maintenance Air Command, located alongside the school, is the best complement to the training received at the school. The skills at the two institutions are practically merged.

Theoretical-didactical knowledge is gained at the school, while at the Maintenance Air Command the training can be verified, practical application can be given to what has been taught and the youths can test their scientific concerns.

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CSO: 3010/2145

## COMPLAINT AGAINST FOREIGN CONSTRUCTION FIRMS' COMPETITION

Bogota EL TIEMPO in Spanish 8 Aug 82 pp 1-A, 14-A

[Text] Antonio Castilla Samper, a civil engineer and manager of Arinco, the largest public works construction and contracting firm in this country, has made a serious charge concerning the delicate situation facing the Colombian public works construction industry because of the competition of foreign firms.

In a detailed paper he sent to this newspaper, Castilla Samper maintains that Colombian construction engineering is "threatened to death." He also examines what he terms the "unusual privileges" enjoyed by foreign firms. Following is the complete text of the charge made by engineer Castilla Samper:

"The Colombian public works construction industry is threatened to death by the unfair competition of foreign firms which, like birds of prey, pounce on bids for highway construction that until recently had been the only work the foreigners had left to Colombian engineers.

"I believe there is no better means than the great newspaper EL TIEMPO to let the public know about this irregular situation and of the unusual privileges which foreign firms enjoy in Colombia.

"I believe that now, with the beginning of a new administration, is the proper time to open a national debate on the propriety of leaving the heavy construction industry in foreign hands and to make the public aware that powerful foreign firms are depriving Colombian engineers of highway construction work in Colombia, work that we should be doing by our own right.

"The heavy construction industry is among the hardest and most difficult work, but essential for the country's development. Without it there can be no communications, no electricity, no potable water, and so forth. Therefore, if there is not a strong industry to tackle the challenge of the future, the standard of living cannot be raised, the people's well-being cannot be improved and there cannot be more jobs for Colombians since the country cannot make the necessary progress for its development without infrastructure works.

## Lack of Nationalism

"Our country now is besieged by all types of foreign construction firms because of the world recession and especially the political situation in Asia and Africa.

"These firms are quite powerful, either because they come from developed countries, or from countries which at the proper time had adequate nationalist policies and did not allow foreign competition when the firms that now are invading us were developing. Brazil, Mexico and Spain fall in the latter case.

"When we consider the number of years which the biggest Brazilian, Mexican and Spanish companies have been in existence, we realize that they are not much older than the oldest in Colombia. However, they are a thousand times more powerful because their respective countries always have applied a healthy nationalist policy. Who would think of going to Mexico or to Brazil to bid on highway construction?

"Highways, which were among the projects traditionally left to Colombian firms, now are the prey of foreign firms.

"There is no highway bidding of moderate importance that is not coveted by foreign firms. They use the shameful practice of "dumping", as I will show further on, so as to snatch away from Colombian firms that which should be theirs, the construction of our highways. Inevitably, this leads Colombian firms to ruin in a short time for the lack of work. Once this happens, the foreign firms will control the market and impose the prices they wish.

"Let us see in the following outline the highways that have been awarded to the powerful foreign firms recently:

1. Repair and paving of the Cucuta-Puente Santander highway let to Sterling International for \$386,207,630.
2. Paving of the Chusaca-Girardot sector let to Sterling International for \$817,947,436.
3. Paving and repair of the Cartago-Cali sector let to the firm of Solel Boneh International S.T.D. for \$215,814,713.
4. Medellin-Bucaramanga highway let to Meridian Engineering for \$652,069,789.

## Prices Below Cost

"All the aforementioned bids have been obtained with below cost prices. Bid no. 18-82 for the construction of the Zulia-Aguachica highway closed on 29 July. We all know that government budgets are stingy. The one for this highway was \$2,687,800,000. However, 5 foreign firms bid well below the official budget, the lowest being \$2,095,758,113.82 or 78 percent of the official budget.

"Let us examine that firm's bid, comparing it to its bid for the Medellin-Bogota highway on 19 September 1979. I have applied to bid 18-82 the prices submitted by that firm on 19 September 1979, and the sum would be \$2,438,666,457.89. In other words, the same firm in 1982--3 years later--makes a bid of nearly 300 million pesos less, using 1979 prices. Considering increased costs from 19 September 1979 to 30 June 1982, the latest period for which I have figures, this firm's bid for the Zulia-Aguachica highway should have been \$4,147,783,820.53. As we have seen, however, its bid was \$2,095,758,113.82; in other words, 50 percent of its costs on 19 September 1979. If that is not "dumping," what is?

"This system is going to do away with Colombian firms in a hurry.

"Let us examine what will happen to these apparently low prices. The entire country knows that foreign firms can quote any initial price and adjust it to the one they want by means of claims. They are not here in Colombia to lose money but to earn money, lots of it. Without exception, the Public Works Ministry and contracting agencies in general do not fulfill contracts, first of all for various reasons, or because they do not deliver the plans on time, or they do not provide the zones for the projects, or they do not pay on schedule. Once one of these things happens, the foreign firms starts to negotiate for new prices or compensation because of breach of contract by the Colombian Government, according to the following stipulation in Article 1609 of the Civil Code: "In bilateral contracts neither of the contracting parties is in breach of contract as long as the other has not fulfilled or agrees to fulfill the contract in the proper manner and time." The apparently low prices then disappear and we Colombian taxpayers have to pay the foreign firms the prices they want.

"It would be interesting for the country to learn the initial budget and true cost of the "Chingaza" and "Chivor" projects, just to cite two examples. But someone will ask himself: Do the national firms do the same thing? Although it may seem a lie, we do not have the right to claim the most elemental things in court because we are rejected, persecuted and the firm that dares to claim in court something it has a right to is not contracted again. The firm that might consider suing would have to keep well in mind that its executives could not again go even on the sidewalk in front of the agency concerned. A court claim is something that Colombian firms cannot attempt except as a step prior to its bankruptcy.

#### Double Policy

"On the other hand" foreigners can request arbitration courts and these are granted. Such courts almost always have been denied to Colombians. Some foreign firms employ the tactic of stopping work on projects, and more so on the most important ones, until they get what they want from the contracting agency. And nothing happens to the foreign firms. Heaven help the Colombian firm that dares stop work on a project to pressure for an adjustment.

"To cite another example of the disgraceful discrimination against Colombian firms, the Public Works Ministry about 4 years ago decided not to pay adjustments (interests) on overdue payments. This had been one of the most

important gains attained by Colombian engineering from the ministry of Dr Argelino Duran Quintero during the Pastrana Borrero administration.

"Foreign firms almost always are paid interest on overdue payments by practically all the agencies. Besides, once the government has delayed payment, the foreign firms start to negotiate for new prices and compensation.

"Interest on overdue payment is paid in the hydroelectric sector, which is almost completely in the hands of foreign firms. It cannot be forgotten that the Public Works Ministry is the largest employer of Colombian firms. Besides the monstrous injustice, the only thing gained from the elimination of interest payments is that since it does not cost anything to anyone--other than to the contractor--to keep the accounts soundly dormant in the desks of certain officials, the delay is extended by certain control agencies--of the many through which an account has to go--to see if the contractor becomes desperate for the lack of funds and someone other than the one who completed the work can profit from the account.

"Another insulting advantage of foreign firms is that they bring their own equipment without paying customs duties.

"Personally, I believe that no civil engineering project should be given to foreign firms. Colombian firms can do the work if the contracting agency is firmly determined to let them do it. They only require solid financial backing since they have more than enough expertise.

#### Lack of Faith

"I am not the only one to have asserted the aforementioned many times. Quite famous foreign engineers specializing on hydroelectric projects also have said it. They maintain that this type of work should be given to Colombians along with adequate financial backing.

"However, we admit that some participation of foreign firms would be justified in certain very complex projects. But it is an insult to Colombian engineering and to Colombia itself that foreign firms are permitted to bid on highway construction. The explanation given, which I personally do not understand, is that it is an IDB and IBRD requirement for financing contracts. To me, what has happened is that Colombian administrations have lacked the capacity to tell these banks that Colombia is a sovereign nation and it does not accept that participation of foreign engineering firms is required to get financing for its projects, and much less for its highways. What is so special about Mexico and Brazil, which have eliminated foreign competition and, therefore, they have extremely powerful construction firms and precisely these same international credit agencies finance these countries' projects?

"Why is it that Colombians do not learn the healthy nationalism of the Mexicans and Brazilians? Why have we not followed the lesson they have taught us that their countries are for themselves, something that is so elemental? I believe that we Colombians have failed to change the "Monroe" Doctrine a little from "America for the Americans" to "Colombia for Colombians," at least for what we can do.

"The hydroelectric sector--reserved solely and exclusively for foreign firms because all the administrations that have managed it have lacked faith on Colombians--also should be for Colombians precisely because it is the field with the best prospects for the future.

"The only construction field which the foreigners so graciously had left to Colombians was that of highways. Now this one too they are taking away from us with the complaisance of Colombian authorities. It should be recognized, however, that certain foreign firms that are working in the hydroelectric sector have stayed out of the highway field and do not offer bids on such work.

#### Questionable "Consortiums"

"What will be left for us Colombian engineers to do in the future? The way things are going, perhaps in a few years we can sweep the offices of foreign engineers, if they let us.

"One of the methods adopted by foreign firms to control highway construction in Colombia, without being criticized much for it, has been to form so-called "consortiums" with small and medium-size national firms. Since these have minimum participation in the projects, they obviously have no voice on construction decisions. Several sources have told me this. The foreign firms then subcontract short sections of highways to these national firms. They also subcontract other small parts of the work to other engineering firms. Of course, the prices paid by the foreign firms are well below what they get. Now, however, as a result of "dumping" prices, the small and medium-size Colombian contractors will have to accept the prices imposed by the foreigners so as not to be left without work. They also will have to "eat" their equipment without being aware of it. They cannot give proper maintenance to their equipment in the short term and cannot replace them in the medium term because the payments they receive do not cover net costs. This is seriously detrimental to the country's economy. Thus, the foreign firms will be the masters and owners of the Colombian construction industry and will impose the prices they want since they will have eliminated four or five big Colombian firms and the medium and small ones.

"The people should demand that there be a civic overseer over the award of highway contracts to foreign firms. This function would be performed by the Association of Colombian Engineers and the Colombian Association of Contracting Engineers for the purpose of not permitting that any change be made by any means to the original contracted conditions.

"What can we Colombian engineers do to be treated in our country as the foreigners are treated? Is it perhaps necessary that we be naturalized abroad in order to work in Colombia?

#### To Serve Coffee?

"After 4 years of undoubtedly unprecedeted public works growth, Colombian firms accepted the challenge, equipped themselves and are prepared to work

on any project assigned to them. Foreign firms, however, have decided not to grant any more work permits to Colombian companies in Colombia.

"Let us determine if all this is good in the short, medium and long terms. Let public opinion decide and that the new government tell us quickly what will be the future of Colombian engineers. As things are going, the new generations that will study this noble and great profession of civil engineer and are planning to devote themselves to heavy construction can be certain that their future undoubtedly will be to serve coffee to the foreign engineers of the foreign firms.

"In view of all the aforementioned, I request that the national government declare bid no. 18-82 void and, meanwhile, that the necessary measures be taken, which of course are obvious, to prevent foreign firms from participating in highway bids."

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## BORDER PROBLEMS WITH NICARAGUA ALONG SAN JUAN RIVER

## Fear Growing on Border

San Jose LA REPUBLICA in Spanish 29 Jul 82 p 4

[Text] About 12 Costa Rican towns on the San Juan River bordering Nicaragua have suffered some restriction of their normal activities as tension and fear grow as a result of the Sandinist army operations in that area.

In the last 45 days, seven serious acts of undue interference by Sandinist guards against Costa Ricans navigating the San Juan have been denounced. The Costa Ricans are protected by the age-old Canas-Jerez treaty that granted the right to free navigation to the citizens of this country in perpetuity.

After each of the incidents (generally detention of launches, search of passengers, illegal demand for visas, confiscation of cameras, capture of crews or firing at the ships), Fernando Volio Jimenez, minister of foreign relations, presented formal protests to the Nicaraguan Government. It did not respond to the written or verbal complaints.

The tension is "felt" at key points or quays like Puerto Viejo (Rio Sarapiqui), El Muelle (Rio San Carlos), Los Chiles (Rio Frio) and Barra del Colorado (Rio Colorado).

Although the traditional "markets" are still held on Sundays, the number of boats transporting agricultural-livestock products has decreased about 45 percent. The same is true about fishing and tourism in the entire Costa Rican geographic region known as the "San Juan River Watershed."

Capt Gilberto Barberena, departmental delegate of the Rural Guard in Sarapiqui, assumes that "some people are nervous" because the Sandinists "closed the river" for more than 15 days before and after the celebration of the third anniversary of the triumph of their revolution.

"There is a certain feeling of fear" among the people who live in small settlements on the Costa Rican side of the San Juan. "Although at times things seem normal, from time to time an incident is reported and concern reappears," said Barberena.

A decrease in the "desire to navigate" is also seen in the drastic reduction in barge traffic, ships larger than the river boats which are powered by

"tugs." Traditionally, these hauled bananas, corn, fruit, beef, pork and passengers.

For the Costa Ricans who live in places like Remolino, Remolinito, Isla Morgan, Copalchi, Boca de Sarapiqui, Boca San Carlos, La Trinidad, La Tigra (Fatima), La Ceiba, Punta Petaca and Machucas Arriba, the San Juan is their only "highway."

They do not have any other way to take their products to the markets in the interior of the country other than this border waterway with subsequent navigation along the navigable tributaries in Costa Rican territory.

Trade with some places in Nicaragua itself has declined since August 1981 and barely exists today.

A typical case of abuse and dangerous aggression affected boatman Eli Alvarado Sancho on 17 July.

He and farmers Lisandro Mejia and Carlos Luis Alvarado were transporting agricultural products from their farm in Cano Copalchi (Costa Rican territory) to Puerto Viejo de Sarapiqui along the San Juan. When they reached Boca Sarapiqui, they were fired upon from the Nicaraguan border guard post there. This seriously endangered their lives.

Alvarado Sancho stated later that they "were not even given time" to "report to the Sandinist post" on their normal passage along the river, ask for "anchorage" and continue on their way.

Alvarado was detained in Nicaraguan territory for 24 hours because he angrily claimed that "they almost killed us without any reason." A witness said that the Sandinist post commander "ordered the arrest" of the militiaman who acted so imprudently.

The other boat crewmen waited until 18 July to pick up their companion who was released without "explanation," being warned "not to yell at us again."

Pilots of tourist launches like Captain Guindel and Winer Hudson of the Swiss Travel Service tourist agency have had problems with the Sandinist guard when trying to take their foreign "clients" on recreational trips along the San Juan.

Other boatmen like Francisco Cajina Corrales complained that "the Nicaraguan controls collect a toll of 20 colones from us" whenever "they feel like it," especially from those of us who "depart from Barra del Colorado for Petaca and other points."

The collection of that "toll" is illegal and is not covered by any agreement countering the Canas-Jerez treaty.

Rafael Angel Aguilar, cantonal delegate of Puerto Viejo de Sarapiqui, said: "I have heard complaints that there are sometimes irregularities on the part

of the Nicaraguan authorities. I have also heard boatmen complain that they fire at them, intimidating them if they do not quickly pull up to the control posts."

Aguilar added: "Also they sometimes refuse to accept the anchorages issued officially by the Rural Guard. We have to demand that they respect them."

The "anchorages" or traditional Costa Rican permission for navigation have always (until now when there have been problems) been respected in Nicaragua. They include minimum requirements like dates, names of the crew members on the boat, responsible pilot, destination and cargo.

One old boatman, Manuel Maria Hernandez Mejias, has been lucky, according to him, because "they have not fooled with me." He knew that "other boatmen have been bothered."

"Everyone" in Boca de Sarapiqui and La Trinidad testifies that "every once in a while the Sandinists fire tremendous volleys that terrify the towns bordering the San Juan. All these things have meant that some farmers who can only haul their goods along that river are drowning economically." Their families live in a "state of fear."

A chronology of the interference with Costa Rican navigation on the San Juan River by Sandinist authorities cites the following incidents:

6 June 1982: A launch of the Swiss Travel Service S.A. travel agency with 10 tourists traveling toward Puerto Viejo was intercepted by a Sandinist patrol which forced them to disembark, show their visas and have their belongings searched.

9 June 1982: A guide from the same travel agency was going from Puerto Viejo to Barra del Colorado with materials that had to be transported when he was intercepted by a Sandinist patrol which refused to identify itself. It warned him that it would not let the launch with tourists pass on 13 June unless they carried Nicaraguan visas.

13 June 1982: The launch with tourists was intercepted again. This time they did not demand visas as they had on 6 June but searched all the passengers and their luggage.

20 June 1982: There was no patrol guarding the river but they again asked the passengers of the tourist launch to identify themselves and searched their belongings.

27 June 1982: The same thing happened as on 20 June.

16 July 1982: Nicaraguan authorities told the boatmen of the Swiss Travel Agency that passage of any Costa Rican ship was prohibited as of 6 pm that day. It would be opened again on 22 July since they were celebrating the anniversary of the Sandinist revolution.

17 July 1982: An outboard was detained by Nicaraguan authorities and its three crewmen, all Costa Ricans, were not permitted to navigate along San Juan River. One of them, Eli Alvarado Sancho, was arrested.

18 July 1982: Two boats from the same travel agency went from Barra del Colorado to Puerto Viejo to pick up a group of tourists. They were detained by Nicaraguan authorities and forced to return without picking up their passengers.

In addition to these "river" cases, there were other incidents in Rio Frio, San Carlos, Los Chiles and Upala. These are "territorial violations," an outrage to persons and things which the press has frequently commented on.

#### Right of Navigation Lost

San Jose LA NACION in Spanish 3, 4 Aug 82

[Article by Hubert Solano]

[3 Aug 82 p 6A]

[Text] In open violation of the Canas-Jerez border treaty signed by Nicaragua and Costa Rica, the Costa Ricans day by day lose their right to free navigation along the San Juan River based on what could be seen in an observation trip through that northern region.

For 13 hours--5 pm to 6 am--there is a complete ban on navigation in those waters and there are strict limitations in the remaining hours that, if violated, might even mean death.

That river route is for shared use according to the mentioned treaty signed on 15 April 1858 and the Cleveland ruling interpreting it.

According to the Canas-Jerez treaty, Nicaragua has sovereignty over the San Juan River but Costa Rican ships can navigate freely on it. For more than a century, that was respected.

However, this past year the Sandinist government has issued restrictions for traveling along the San Juan because it fears enemy actions.

In recent weeks, Costa Rica has presented several protests to Nicaragua due to incidents committed by Sandinists along our northern border. Also there have been two meetings in San Jose between representatives of both governments to try to reach an understanding.

The Sandinists view the San Juan as a strategic-military route that has to be strictly guarded to prevent surprises despite the fact that the major actions against the Nicaraguan Government occur along the border with Honduras.

In addition to the total ban, in the remaining 11 hours of the day the Sandinists require everyone who travels on the San Juan to go to Nicaraguan territory and present themselves to the command posts in border areas like

San Juan del Norte, El Delta, La Trinidad and Bocas on the San Carlos River. Further inside Nicaraguan territory is the post of El Castillo.

Although the Costa Rican and foreign tourists who travel in launches under the national flag navigate on the edge of this country, the Sandinists have ordered them to cross the river to the Nicaraguan coast and identify themselves.

#### Search

At the posts, the Costa Ricans have to show their identification card and the foreigners their passports. Also the companies that transport tourists must carry a passenger list to give the Sandinist officer in charge of the command.

Carrying submachine guns, the soldiers enter the Costa Rican launches to search and ask any questions they consider pertinent.

After examining the passenger list, the first thing they do is make a detailed search of the ship. They ask the passengers to open their handbags, briefcases, bags, etc., and show them the contents. In general, they are looking for arms or explosives.

It is strictly forbidden to take photographs at those posts. Even if only one is taken, there is the risk of indefinite detention, confiscation of the camera or exposure of the film. Repeatedly, the boatmen as they near those posts stress to the passengers that they must not take pictures if they do not want to get in trouble.

After going through that search at the El Delta post, it is repeated in La Trinidad. The formalities are the same and the Sandinist soldiers do not turn their backs on the boats until these have gone a considerable distance. If someone waves goodbye, it is not returned. The Sandinists only raise their hands to make the victory sign.

In El Delta the post is on a hill from which every boat that navigates from Barra del Colorado, San Juan del Norte or Punta Castilla can be watched. Since there is a mountain behind that post, boats from La Trinidad and other places cannot be seen.

#### Armed

In each one of those commands, there are at least six soldiers visible. They all wear green camouflage uniforms, caps, swamp boots, rifles, submachine guns, bayonets, knives and cartridge belts.

The soldiers do not really talk to the passengers. Since they frequently see the boatmen, they mainly address them. Occasionally, they ask for a soft drink. (One guide pretended not to understand and did not provide a Coca Cola.)

On one occasion, a soldier deliberately let his rifle fall near a woman. Seeing that she did not flinch, he asked her if she was afraid. She answered simply: "No." What the Sandinist did not know was that she held a high military rank in the Civil Guard.

In general, the Sandinists' treatment of the passengers is firm and respectful as long as no one makes any comment on the revolution or, of course, brings a camera to his face to take a picture.

[4 Aug 82 p 6A]

[Text] The Costa Rican people who live in the north near the San Juan River border hardly have any security which they should have because of the tension produced recently in that region by the members of the Sandinist army and by the presence of alleged groups that are enemies of the Nicaraguan Government.

Some 2,000 people live in or around Barra del Colorado, the main town in that area.

Almost 80 percent of them do not have documents despite the fact that they have lived there many years. In general, they came from Nicaragua.

The rest live in very small towns like La Tigra, Delta and Trinidad. Other houses are lost in the mountains along the banks of the San Juan and Colorado Rivers, especially at the mouths of the Sarapiqui and San Carlos.

Luis Alvarez Sandi is border delegate for the Rural Guard and Dagoberto Aguilar Aguilar is district delegate for Colorado. The former has one subordinate under his command and Aguilar has two rural guards.

In addition to the above five members of the Rural Guard, there are five from the First Commissariat of San Jose who were sent to La Barra under the command of Lt Juan Arguedas as reinforcements. These men have the major responsibility for guarding the town, the landing field and the hundreds of kilometers along the rivers, channels and sea.

#### Problems

Due to a lack of resources, they rarely move from the small houses where they are lodged. They only have one launch without a motor and, of course, no gasoline coupons.

Officer Alvarez lends his own motor and pays for the fuel.

Therefore, they are not making the necessary patrols to guarantee order and security in that region.

Those police--who are not to blame for the above--spend the major part of their time playing cards inside their installations or go hunting when some resident calls them to kill a tiger, for example, that is causing damage.

They also intervene when some resident has too many drinks and causes a commotion.

On the north side of La Barra, the Rural Guard building is unfinished.

It does not have doors, windows, a kitchen or even a cell or jail.

The delegation in the southern part is better set up. In front of the building, there are two trenches formed with eight sandbags each.

"We sincerely believe that if something happens here, whether an attack by the Sandinists or the antigovernment Nicaraguans, it would be suicide if they fight from those trenches. They even have open sides," commented one resident.

Such reasoning even is more justified by the fact that there is no ammunition for some of the arms they have. On several occasions, the police have bought themselves ammunition for the 30-30 rifles.

#### Telephones

Another problem in the region is that there are only two telephones in La Barra. One has not worked for months. The owner of the building where it is installed had to close since once service was suspended, no one returned.

The second is inside Maximiliano Enriquez' store. When he closes, there is no service. Only in cases of emergency or when the owner feels like it does he open at night.

Since the telephone is bad in the northern part, the residents there are forced to cross the bar to make a call.

The landing field is not in good condition either. It is open on Fridays, Saturdays and Mondays. Taxi Aereo and SANSA [National Air Services S.A.] use it.

The residents are not really interested in correcting their migratory situation despite the fact that the Sandinist authorities demand identification documents in order to travel on the San Juan River.

This is due mainly to the fact that, under the past government, the migration authorities encouraged the residents to go through the procedures. After they had incurred these expenses, they did not return and the residents remained without documents and without money.

#### Another Scene

Facing the precarious situation of our authorities in the north is a well-trained and armed army like the Sandinist army. Their presence alone is imposing and they actually control the region.

At the same time, three groups of anti-Sandinists, each one with 11 members, have been seen entering through Colorado recently.

The last were seen near the mouth of Laguna de Agua Dulce. They were at an abandoned ranch cleaning their rifles. It was noted that they carried a large number of quinine pills for malaria.

These anti-Sandinists were well armed and, of course, have resources to move through the area that our authorities do not have.

To end this chapter, it suffices to say that the mail barely arrives three times a month. Children born in this area do not even benefit from a midwife. The women give birth alone and if the birth is complicated, it is only attended by another woman who has little knowledge.

The doctor who used to live in Colorado left when this union won its last strike.

[Third part of series omitted]

7717  
CSO: 3010/2185, 2186

## PVP CRITICIZES PRESS, GOVERNMENT MEASURES

## Denies Charges of Terrorism

San Jose LA NACION in Spanish 29 Jul 82 p 9A

[Paid Announcement]

[Text] The big capitalists and the foreign companies are alarmed over the rapidity with which the people have become aware of the inability of the government to solve the crisis. The extraordinary benefits being granted big capital are obvious, while the people are being asked for sacrifices.

The Costa Rican people see clearly that the privileges foreign capital and the big millionaires have always enjoyed have multiplied with the crisis. The devaluation of the colon is a fabulous windfall for foreign capital, which is paying the lowest wages in the world in Costa Rica, and for the exporters as well, who are receiving many more colones for their dollars and are exploiting the small producers. Tax exemptions, which principally benefit the foreign companies, now amount to 50 billion colons annually.

Alarmed by the growing public protest occasioned by this unjust handling of the crisis, the big foreign and domestic capitalists are now clamoring for the adoption of repressive measures to restrain the people's struggles. According to them, the decrease in the standard of living of the people must be accompanied by serious curtailments of democratic rights, of freedom of expression, organization, assembly, etc.

The newspaper LA NACION, spokesman of big capital, which is profiting from the crisis, clearly reflects that policy. It defends the economic measures of the government and demands the adoption of "exceptional measures" against the labor movement and "preventive" measures against the people's movement.

Its editorial of 17 July describes as "dangerously harebrained" the suggestion that public sector wages be adjusted in accordance with the increase in the cost of living. Then it screamed to high heaven because "the calls to ranks and the summons to demonstrations in the streets have now begun," concluding that "if we do not unite and accept exceptional measures, Costa Rican democracy could fall into the abyss in an amazingly short time." "Democracy" is, for LA NACION, the privileges enjoyed by big capital. If the wage demands of public employees brings the necessity of reducing the big millionaires' tax exemptions up for discussion, that demand "threatens "democracy."

"Democracy" is, for LA NACION, the privileges enjoyed by big capital. If the wage demands of public employees brings the necessity of reducing the big millionaires' tax exemptions up for discussion, that demand "threatens "democracy."

LA NACION reveals itself in that 17 July editorial. It is very clear from it that the exceptional measures it is calling for would be aimed at all the people's organizations. In the public sector it censures equally the Democratic Front and the CUT [United Workers Federations], ANEP [National Association of Public Employees], ANDE [National Teachers Association], APSE [Secondary School Teachers Association], and SEC [Costa Rican Educators Union]--all the unions and associations because none has accepted the 1,000-colon increase and all are demanding salary increases that correspond to the increase in the cost of living. All of the, according to big capital's logic, which is expressed in LA NACION, are a threat to democracy.

It is clear then that when this newspaper clamors for repressive measures against the left, it is in reality thinking of repressing the entire people's movement.

In order to justify its stand, LA NACION invents the existence of "military arms of the legal parties of the extreme left," which it links to terrorism, when everyone knows it is organizations like the Free Costa Rica Movement that openly publish military slogans in the same LA NACION newspaper, and that the perpetrators of terrorist acts like the confiscation of the SANSA aircraft are protected by the extreme rightist governments of Central America.

LA REPUBLICA of 18 July announced, in the same vein a great provocation against the people's movement. It talked about an alleged subversive plan scheduled for August, including demonstrations, work stoppages, strikes, bombs, and kidnappings. The effort to link protests and the people's struggle with terrorism has been constant in reactionary propaganda. But now it appears they are ready to turn from words to deeds. They know that the people are going to protest and struggle. They know this because discontent is now evident. They know this because prices continue to rise, because nothing is being done to improve the workers' lot nor to limit big capital's privileges. The people will carry out demonstrations, protests, and struggle. If bombs are also set off, it will be the extreme right that does it. That is the way they will find pretexts for repression. The name of the game is now clear.

We are in the presence of a maneuver aimed at combining economic repression with political and military repression. They want to impose a dictatorship in Costa Rica similar to that of several Central American countries. They forget the experience of those neighboring countries. They forget that repression, no matter how harsh it is, is incapable of stopping the struggle of hungry peoples.

The democratic forces of all the parties must go into action to prevent Costa Rica from being dragged into repression and dictatorship.

Our Popular Vanguard Party reiterates its call to all the people's organizations to confront big capital's blows with organization and struggle, to demand

just wage increases, a halt to price increases and speculation and easy, cheap credit for small and medium, businessmen, land for those who want to work it, and an end to the odious privileges for big foreign and domestic capital.

In over 51 years we have never used terrorism and we will never use it. But we will always be in the fore of the people's struggles, no matter what conditions we have to fight under.

We will fight to defend public freedoms and the democratic rights won by the people. We will spare no sacrifice to prevent a repressive regime from being established in Costa Rica.

#### Economic Measures Scored

San Jose LA NACION in Spanish 5 Aug 82 p 21A

[Paid Announcement]

[Text] The facts are overwhelming. On 8 May a new administration was inaugurated, but for the people nothing has changed. In other words, all the changes have resulted in a lower standard of living for the workers and small and medium businessmen.

Those who run the National Liberation Party promised "a new dawn," which turned into just another disappointment. They said, "You always lived better under Liberation," but never before was so much done to make the people lives worse. They talked about the "plan of one hundred days" to solve the crisis, but the "hundred days" has been torture for the people.

This government has done nothing more than raise prices as they have never been raised before. This government removed the subsidies for bread and public services, but it does not dare touch the subsidy of 50 billion colons that it concedes to the big foreign and domestic companies in the form of tax exemptions.

During the election campaign they spoke of a dialogue, but now they refuse to listen to the workers. They decide on an increase of 1,000 colons for public employees without any negotiation, which does not compensate for even one-third of the increase in the cost of living.

They have criticized the foreign debt, which they themselves helped create, but now they are seeking new loans that will increase that foreign debt even more and aggravate the crisis. And in order to obtain those loans they are putting Costa Rica at the mercy of the dictates of the Reagan government, which is following a dangerous warlike and adventurous policy in Central America.

United People said it: the people can expect nothing from governments that are serving big capital. It can expect nothing of those who engage in a policy of submission to foreign capital.

United People said it: the solution is with the people. Only through organization and struggle can the people put a halt to the voracity of the big millionaires, those who desire to continue profiting from the crisis while shifting the burden to the workers and small and medium businessmen.

United People said it and reaffirms it today, only a government of the people can provide a solution to the crisis favoring labor and farmworkers, small and medium businessmen, professionals, employees, students, and housewives. Only a government of the people can put an end to the odious privileges, to corruption, speculation, and all the vices that corrode Costa Rican society.

To the thousands of members of National Liberation who now see clearly, to the thousands of Calderonists and all opposition groups, we issue a call to struggle. We do not ask them to follow our banner; we invite them to fight together for a price freeze, for a wage increase, for an agrarian reform that will make the land produce and bring justice to the farmworkers for easy and cheap credit for small and medium businessmen, for the nationalization of foreign trade which will put an end to the traffic in dollars and allow fair prices to be set for the goods that we need to import, for a tax reform that will force the big millionaires to pay taxes.

The crisis is good business for big capital. Let us reply with unity, organization, and the people's struggle.

Popular Vanguard Party

#### Raps Policy Toward Nicaragua

San Jose LA NACION in Spanish 6 Aug 82 p 31A

[Paid Announcement]

[Text] The Monge administration does not see any way out of the present crisis but that of submission to foreign capital and the dictates of the International Monetary Fund and the Reagan government.

All the measures that it has taken are directed toward granting greater privileges to the foreign companies and the big millionaires while a tremendous burden of price rises and new taxes has been put on the backs of the people.

In order to reduce the deficit, Monge is doing what the International Monetary Fund has ordered: eliminate the subsidies for food, transportation, electricity, and water. That is why prices have risen. The International Monetary Fund will not permit anyone to touch the 50 billion colons that the big foreign and domestic companies receive in tax exemptions.

Monge wants us to believe that the crisis will be solved by bringing in more dollars, and in order to bring in those dollars we have to please the United States. In line with that criterion, Costa Rica has joined the aggressive policy aimed at Nicaragua. For a few dollars they are trying to involve our country in a conflict that could inflame all of Central America.

In Honduras, where thousands of former Somoza national guardsmen are operating, Foreign Minister Fernando Volio dared to support the provocations of that nation's government. He did not express any concern for the Somoza bases. He expressed no concern for the Costa Ricans who have disappeared in Honduras. He only wanted to make it clear that the Costa Rican Government, along with that of Honduras, is ready for any kind of provocation against Nicaragua in order to please the Reagan government.

If they do succeed in obtaining a few dollars, the price will be to involve our country in a conflict that could cost much pain and much blood. But those dollars will not solve the economic crisis. Is it not true that one of the causes of that crisis is the extremely high foreign debt that we have now and which we cannot pay? With more loans that foreign debt will be greater, and the crisis, far from being solved, will be aggravated.

United People said it: no government of big millionaires will solve the people's problems. The crisis is good business for them while the people get poorer.

United People said it: the solution is with the people. Let us fight together, working men and women of all the parties so that justice will become a reality, so that the people will have food, housing, work, education, and health care. Let us fight together so that our land will be for those who work on it and produce for everyone. Let us fight together for the worthy nation, truly independent and sovereign, that Juan Santamaría loved. Let us fight together for peace, to prevent an irresponsible government from plunging Costa Rica into the adventures hatched in Washington.

9015  
CSO: 3010/2177

## POLL TAKEN ON SUPPORT FOR GOVERNMENT POLICIES

San Jose LA NACION in Spanish 6, 7 Aug 82

[6 Aug 82 p 4 A]

[Text] A decrease of 23 points in the popularity of the president of the republic, Mr Luis Alberto Monge Alvarez, was revealed by the eleventh public opinion poll taken by the independent firm Interdisciplinary Consultants for Development (CID), a company associated with the Gallup international firm.

During the previous sampling done by that company last March, the favorable opinions about the then president-elect reached 71 percent of the 981 Costa Ricans interviewed at that time.

Now, only 38 percent of the 1,058 voters interviewed by the CID last July have a favorable opinion of the leader.

The poll was conducted between 10 July and 19 July, only 2 months after the inauguration of the present administration. Of the 1,058 persons interviewed, 548 live in the so-called metropolitan area, or central region, and 510 in the rest of the country.

The poll was taken using a combination of the stratified sampling method and the sampling-by-stages method. It is estimated that the results have a margin of error of 4.5 percentage points. This means that any data presented could have been larger or smaller by that amount if all Costa Ricans had been interviewed. Among other things analyzed in the poll were the citizens' opinions of the job being done by the government and the hope that the government could overcome the crisis.

#### Popularity

Not only did President Monge's popularity decrease, but also that of his vice-presidents as well as that of some of the directors of the National Liberation Party, the party in power.

This can be explained, according to the CID, by the expectations created during the campaign, not necessarily by Monge and his party, but by the people's desire for a change and for stability.

Favorable opinions about the first vice president, Mr Alberto Fait Lizano, decreased from 32 to 24 percent of those interviewed, while the second vice president, Mr Armando Arauz, reduced his standing from 46 to 39 percent.

The popularity of former presidents also decreased: Daniel Oduber's from 81 to 72 percent, Jose Figueres' from 70 to 59, while that of the Liberationist general secretary, Dr Oscar Arias, went down from 41 to 37 points.

Within the Liberationist sector the only persons whose popularity went up were Dr Carlos Manuel Castillo, from 43 to 44 percent, and the Minister of Foreign Relations, Mr Fernando Volio, from 36 to 37 percent. These margins are nonetheless smaller than the margin of error.

In general, only Professor Jose Joaquin Trejos Fernandez increased his prestige, since while his rating was 48 points in March, it went up to 54 points in July. The rating of the former candidate of Unity, Mr Rafael Angel Calderon Fournier, also decreased from 51 to 47 percent.

#### Job Done by the President

For the first time in this series of polls taken by CID, the opinion of the job done by President Monge is measured. The majority of the people interviewed, according to the pollsters, had a favorable opinion of the job done. But the difference is minimal in relation to those who had the opposite opinion.

In spite of this, it is believed that Monge does not handle the cost-of-living problem well.

Of those polled, 43 percent think that the job done by Monge is average, while 19 percent think that it is good. Only 5 percent think it is very good.

Fifteen percent believe that the job done is bad and 5 percent believe that it is very bad.

At the same time 34 percent believe that the way the cost-of-living problem is being handled is hardly adequate. 16 percent think he handles it well. 21 percent believe that he does not handle this matter well and 9 percent believe he does it very badly.

#### Crisis

The poll demonstrates that there is an almost universal feeling that the present administration will not be able to overcome the present crisis. This contrasts with the opinions expressed last March, when it was demonstrated that there was confidence that the government that was to start its operations on 8 May could overcome the problems affecting the country at the present time.

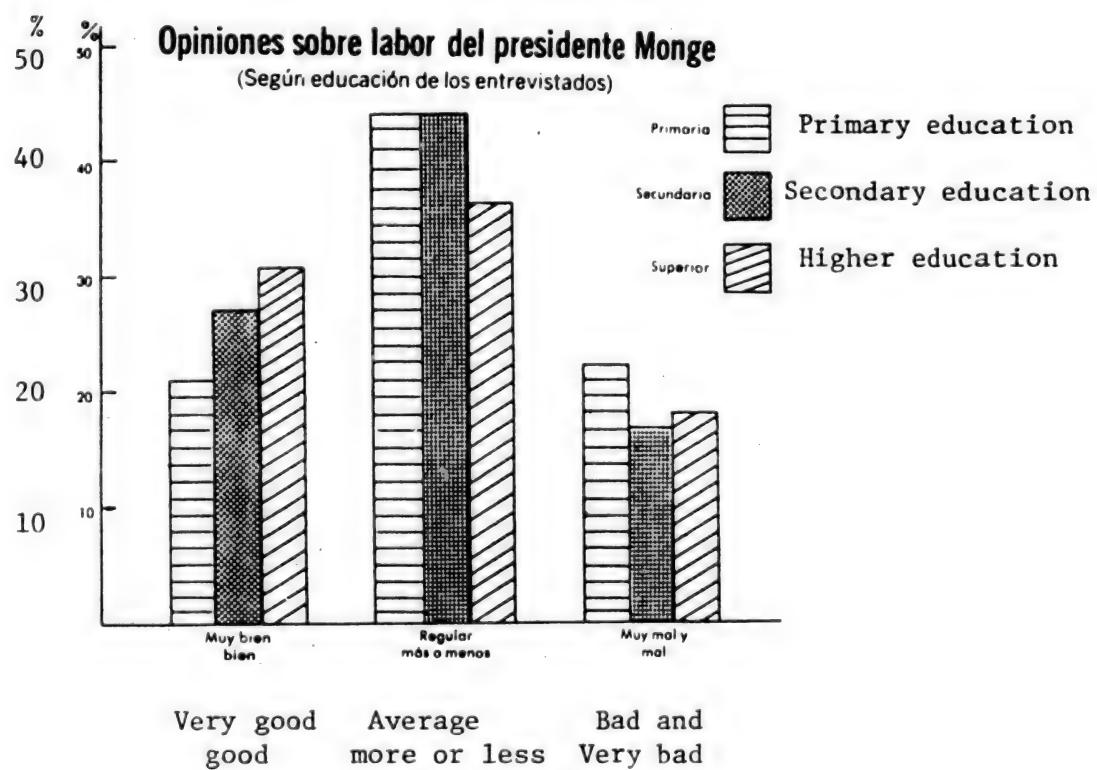
On the basis of the level of education of those interviewed, it was possible to establish that 21 percent of those polled who have only a primary education

believe that there is no possibility of overcoming the crisis. 59 percent believe that the possibilities are few.

15 percent of those interviewed who have a secondary education believe that the problem will not be overcome and 55 percent believe that the possibilities are few.

Among the people with higher education, 15 percent believe there is no solution while 57 percent say that the possibilities are small. But 25 percent hope that it will be possible to straighten things out.

Opinions of the job being done by President Monge  
(According to the educational level of those interviewed)



[7 Aug 82 p 4A]

[Text] The majority of Costa Ricans--56 percent--do not approve of the Costa Rican Government, as demonstrated by the eleventh public opinion poll taken by the company Interdisciplinary Consultants for Development (CID), associated with the Gallup international firm.

The poll was taken between last 10 July and 19 July and at that time the problems between the Costa Rican Government and the Managua Government, which have even forced our government to expell three diplomatic officials from that country, had not fully surfaced.

In all, 1,058 persons were interviewed. Out of these, 548 live in the so-called metropolitan area or central region and 510 in the rest of the country. It is estimated that the results have a margin of error of 4.5 percentage points.

In regard to the opinion of the Nicaraguan administration held by the Costa Ricans, the poll determined this in accordance to military in political parties.

Those who reject the Sandinist government most strongly claim to be sympathizers of the Unity Party. (See attached table).

The majority of those interviewed believe that diplomatic relations with that country should be maintained and that these should be proper, but cold. This is the opinion of 59 percent of those interviewed.

In the sampling taken by CID last March, the percentage of persons expressing the same opinion was 42. On that occasion 981 persons were interviewed.

Also, 75 percent of the persons interviewed in July believe that the Organization of American States (OEA), should be the one to protect the border between Costa Rica and Nicaragua.

Regarding the problems that have come up as a result of Nicaragua's control over the sailing of Costa Rican boats in the San Juan river, there is no conclusive answer as to what the government should do.

Twelve percent agree that drastic measures should be taken, although they do not say what. Ten percent believe that there should be some vigilance; 21 percent believe in resorting to international treaties and 18 percent believe that there should be more contact with Nicaragua. Only 1 percent are in favor of intervention, in this case, by the United States.

#### With Cuba

In the meantime 52 percent of the interviewed disapproved of Costa Rica having business relations with Cuba.

Last March the question was asked whether people thought it convenient for the government to establish diplomatic relations with the Caribbean island. On that occasion, 62 percent disapproved of such a measure.

Meanwhile, 38 percent of those interviewed in July believe that relations with the United States have improved noticeably during the last 6 months, 49 percent believe they are the same and 7 percent believe they are worse.

Also, 46 percent believe the United States is "very interested" in helping Costa Rica overcome the crisis and 38 percent believe there is little interest.

Regarding the University for Peace, 65 percent of those interviewed are in favor of the establishment of this institution and 45 percent agree that the government should subsidize it.

At the same time, 40 percent are against the institution being financed by government funds.

According to the poll, last July there were in Costa Rica several fugitives from justice from the United States. The persons who took part in the poll were asked their opinion on whether these people should remain in the country and the action the government should take in this matter.

Among them, 62 percent believe they should be expelled. Only 8 percent agreed that they should be allowed to stay in this country, but added that they should be brought to justice.

Also the question was asked whether the Costa Rican embassy in Israel should be moved to Jerusalem. The majority of those interviewed, 71 percent, did not know in what Israeli city our diplomatic headquarters had been located.

#### Opinion about the Nicaraguan Government

##### Political Affiliations of Persons interviewed

| Opinion   | TOTAL | PLN | UNITY | OTHERS | NONE |
|---|-------|-----|-------|--------|------|
| Opinion about Sandinist government                      | 100   | 100 | 100   | 100    | 100  |
| Strongly approves                                       | 4     | 4   | 2     | 13     | 4    |
| Approves somewhat                                       | 5     | 5   | 2     | 18     | 7    |
| Strongly disapproves                                    | 56    | 57  | 67    | 38     | 49   |
| Disapproves somewhat                                    | 12    | 12  | 10    | 13     | 12   |
| Does not have sufficient information to form an opinion | 12    | 12  | 12    | 10     | 11   |
| Doesn't know/no answer                                  | 11    | 10  | 7     | 8      | 17   |

9907  
CSO: 3010/2181

## TRADE UNION FRONT RAPS MILITARY DICTATORSHIPS

San Jose LA NACION in Spanish 24 Jul 82 p 18 A

[Text] In view of the death of more than 100,000 Central Americans at the hands of military dictatorships, the Costa Rican Union Front Against Intervention states the following:

Fellow-citizens: The moment has come to take a stand before a Central America enveloped in flames, which has the eyes of the world focused on her. The criminal dictatorships, such as those of Maximiliano Hernandez, Estrada Cabrera, Ubico, Castillo Armas, Lopez Arellano, Fidel Sanchez, Arana Osorio, Somoza, Lucas Garcia, D'Aubuisson and Rios Montt, have kept the heroic Central American countries submerged for many years in blood and tears.

In 1932, in El Salvador, Maximiliano Hernandez massacred 30,000 peasants who wanted land to till. Since that time the Salvadorans have been struggling against dark and bloody dictatorships.

In 1954, the Guatemalan democratic process, which was led by Jacobo Arbenz, was violently interrupted by the coup perpetrated by General Castillo Armas with the help, now verified, of the North American CIA. For 28 years the Guatemalans have been struggling against terrifying military dictatorships.

Facing the uncontrollable advance of the popular liberation forces in Guatemala and in El Salvador, those responsible for the humiliation of these under-developed, Third World countries of "Indians and blacks in loincloths," start to move their pieces in the international political chess game, withholding information about the origin of the struggle and trying with great insolence to interfere with their powerful army (once already defeated in Vietnam) in this piece of land of the American continent. A few months ago they desperately appealed to the Inter-American Reciprocal Assistance Treaty (TIAR) to involve Latin American armies in El Salvador and then, with the greatest impudence they allied themselves with England in the Malvinas conflict, forgetting the TIAR and thinking only of NATO.

At the present time the Guatemalan dictatorial junta has decreed a state of siege. If during the first 3 months of the Rios Montt government 3,000 persons were murdered or disappeared, what will happen now that terror has been institutionalized? At this time also, with the consent of the Salvadoran

junta and that of the United States, the Honduran Army has penetrated Salvadoran territory to collaborate directly and openly in the massacre of those noble people. The counterrevolutionary bands of former Somozists and mercenaries operate in Honduras with great ease and from there they launch wily attacks on Nicaragua, which adds to the danger of an overall regional war in Central America.

In view of this situation, the National Union Front Against Intervention agrees to:

I- Invite all the truly patriotic Costa Rican unions and student organizations to join us, regardless of political afiliations, in the struggle for an honorable and sovereign Central America.

II- Demand the ousting from Costa Rica of the misnamed "Central American Democratic Community" since this is an instrument for isolating the Sandinist Popular Revolution and since some of its members are fascist military regime.

III- Support the multitudinous demonstration in favor of peace and the sovereignty of our countries that have taken place in New York, organized by the best of the North American people and attended by more than 1 million persons.

IV- Support the work of the 350 committees for solidarity with the Salvadoran people that exist in the United States.

V- Denounce the increasing persecution of the Central American refugees in Costa Rica, against the country's noblest instincts.

VI- Condemn the Santa Fe document, one of whose premises states: "War and not peace is the norm that rules international affairs. Distention is death." This premise violates the pacifist principles of the Costa Rican people. This document contains the principal premises of the North American foreign policy, which permits us to understand that every human being with common sense must struggle hard against the policies of the Reagan administration, enemy of humanity.

VII- Invite the Costa Rican people to attend next Sunday 25 July, starting at 10:00 am in front of the San Jose post office, the closing act of the International Festival against Intervention in Central America and the Caribbean, organized by the Costa Rican Council for Peace and Solidarity. There will be popular theater, Central American music and dances, artifact exhibits, etc.

San Jose, Costa Rica, July 1982

#### Sponsoring Organizations

Committee for Syndical Unity of Central America, Belize and Panama.....CUSCA  
Confederation of Labor Unions.....CUT

Federation of Workers in Higher Education.....FETRAES  
National Association of Public Employees.....ANEP  
Social Security Employers' Union.....UNDECA  
National Federation of Industrial Workers.....FENATI  
National Federation of Municipal Laborers and Employers.....FENOEM  
National Federation of Plantation Workers.....FENNTRAP  
National Federation of Public Workers.....FENATRAP  
National Federation of Peasants.....FENAC  
Union of Costa Rican Actors.....UDAC  
UNA Workers' Union.....SITUN  
UCR Employees Union.....SINDEU  
State University Branch Employees Union.....UNE-UNED

Signature of person in charge

Leon Santiago Mendez  
Permit No. 6-078-830

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CSO: 3010/2181

## NEW REGULATIONS TO FINANCE MTTs DESCRIBED

Havana TRABAJADORES in Spanish 24 Jul 82 pp 1, 3

[Report on interview with Roberto Veiga Menendez, chairman of the national organizing committee of the Territorial Troop Militias, on new financing regulations relating to those militias, by Jorge Rivas Rodriguez, in Havana on 23 July]

[Text] Roberto Veiga Menendez, chairman of the national organizing committee [CON] of the Territorial Troop Militias [MTT] and alternate member of the Politburo of the Party's Central Committee, announced yesterday in this capital a number of measures aimed at effectively administering the systematic financing of our country's MTTs.

During a press conference held yesterday at the Workers Palace, Menendez, also secretary general of the CTC [Central Organization of Cuban Trade Unions], advised that the CON is also made up of representatives of the People's Government [PP], CTC, FMC [Federation of Cuban Women], ANAP [National Association of Small Farmers], CDR [Committee for the Defense of the Revolution], UJC [Union of Young Communists], FEU [Federation of University Students], FEEM [Federation of Middle School Students], Organization of Jose Marti Pioneers [OPJM], MINFAR [Ministry of the Revolutionary Armed Forces] and MININT [Ministry of the Interior], respectively, a structure which, in like manner, will have committees at the municipal and provincial levels in accordance with the membership of those organisms and organizations in each territory.

Veiga pointed out that, based on criteria drawn up in this regard by MINFAR, PP, the National Bank of Cuba and CTC, the State Finance Committee will issue a resolution regulating the preparation of budgets for expenditures and an income plan aimed at financing the MTTs.

Referring to the income plan, he said that each "municipal committee will receive information from the PP relating to the total amount of the budget for MTT expenditures and will, simultaneously, discuss the income plan with the PP so that any monetary allocations distributed among the various organisms and organizations will be designed to permit each organization to achieve its goal.

"The sum of the income plans," he said, "of all municipalities, that is, of each of its organisms and organizations, will constitute the income plan at the provincial level, and the sum of those of all the provinces will determine that of the nation."

With regard to that aspect, he stated that, if the income plan of one or more municipalities is more than successful, the excess may be used by the province to offset the inadequacies of other municipalities.

In like manner, he asserted that the sum collected by MINFAR and MININT to finance the people's defense organization will be centrally controlled and will constitute a reserve to cover any contingency which may arise. That income will not be included in the respective plan of each municipality.

CON will reveal the measures considered necessary to carry out the income plan and the means of control to be established in this regard.

Roberto Veiga then pointed out that information concerning the income and expenditures of the MTTs was given to all our people of 15 March 1982, a date which should be adopted--until 30 December--in the administration of the economic contributions of this year's plan.

#### Procedures To Be Used With Regard to the Economic Contribution

Concerning the performance of productive work as a financial contribution to the MTTs, the union official said that a number of conditions should be observed when workers are called upon to participate in this activity in other firms, including those of the Ministry of Agriculture.

In this connection, he pointed out that any such productive work should really be necessary and requested by the corresponding economic entity. "This should be observed," he said, "as a principal objective, guaranteeing that the work is useful and necessary. All work performed should be paid according to regulations and on the basis of continuous production or piecework."

Those mobilized for the administrative work should perform that work without, in any case, doing their regular jobs at their work centers inasmuch as they should try to rest at the end of the work day, on weekends and during vacations. By no means should part of the normal workday be used as a contribution to the campaign.

In speaking of the document regulating the procedures to be used to finance the expenditures of the MTTs, Veiga said that appropriate measures should be adopted so that the costs of mobilization, particularly with regard to transportation, meals, lodging and other items, be significantly lower than the wage to be received for that work.

He also stressed that firms which receive this administrative assistance should be responsible for any accounting connected with such expenditures and that only the net contribution should be considered valid, not overall.

In this regard, an attempt will always be made, wherever possible, to keep the mobilizations on a local basis, preferably within a given municipality. Due to specific conditions, Havana City Province will be an exception.

#### Other Procedures To Be Used for the Contribution to the MTTs

Among the voluntary donations for financing the MTTs, Veiga mentioned those involving wages through the concept of productive work in other firms and overtime spent by workers, in their own firm at the end of their regular workday or on weekends.

In cases where wages cannot be tied in with the norm, overtime will be considered valid as a contribution when, as a minimum, the normal work day has been completed, and the voluntary donation of wages for one or more normal workdays can be made by the workers (days of wages), as well as other donations in the form of money or other possessions.

Other means of income may also be arranged, such as cultural activities with professional or amateur artists who perform voluntarily and the showing of films for which the audience subscribes as a modest entrance fee. In any case, state regulations should be carefully respected, particularly in the matter of prices.

"The decision to make a contribution is strictly voluntary, as is the use of any of the procedures. A given worker may choose any of the procedures indicated, one or more than one, or all," Veiga said.

"In like manner, in a given firm or production unit, one group of workers may, at will, choose one or several procedures and another group of workers, another.

#### People's and Students' Organizations

With regard to the role to be played by people's and students' organizations in that effort, the CON chairman said that farmers and cooperants will make their contribution in cash through the ANAP in whatever form of donation they think appropriate in accordance with their income and the commitments they make on a voluntary basis.

In consideration of the number of the organization's women who are housewives, the FMC will make voluntary contributions ranging from 20 centavos to 1 peso.

The workers will be considered as potential contributors at their respective work stations.

Concerning the activity which federates may exercise in this noble task, Veiga said that, "in view of the possibility of making artificial flowers with obsolete or rejected material, they will promote the sale of such articles on holidays such as Mother's Day and Women's Day.

"Furthermore," he said, "in commemoration of International Women's Day, a productive workday will be set aside, using the procedure previously established in these guidelines."

The CDRs will direct their efforts in such a manner that retirees may make their contribution to the campaign through voluntary donations in accordance with their monetary income.

In commemoration of 28 September, an extensive voluntary workday will be held to accumulate funds for the MTTs in accordance with the above-mentioned procedures.

"In view of the profound patriotic and educational significance of the campaign," Roberto Veiga said, "the FEU, FEEM and OPJM will promote the contribution of their members in sums of 5, 10 and 15 centavos, respectively, considering that their economic possibilities are dependent on their elders, whose contributions are reflected in the previous guidelines."

FEU and FEEM students may donate part or all of what they earn through productive work performed during each year's vacation period.

In the OPJM, students belonging to the ESPEC [Basic Secondary Farm School] may arrange voluntary workdays on Saturdays and Sundays.

MINFAR and MININT combatants will resort to whatever procedures are best suited to their purposes.

#### Concerning Bank Accounts

During the press conference, the alternate member of the Party's Politburo advised that a special bank account will be opened on behalf of CON to finance the MTTs, and a like measure will be taken on behalf of political and mass organizations and national unions at the municipal and provincial levels.

Each month the bank will give the status of the accounts of the municipal and provincial committees according to the total amount of the donations.

On the municipal level, information will be released for each political and mass organization and national union at the close of the 5th day of each month, with the amounts received from the date of the beginning of the new system until the last day of the previous month.

Similar information will be given for the provinces on the 15th day of each month.

Like information will be released at the national level on the 30th day of each month and sent to CON, the State Committee for Finance, the national CTC, MINFAR, MININT and political and mass organizations.

"Until the new accounts are opened, the various contributions will be deposited in accordance with existing procedures," Veiga said.

Lastly, the CTC secretary general hailed some of the initiatives taken by certain collective labor groups in the country to finance the MTTs which, despite their profound patriotic spirit, he requested them to discontinue in that, in extending their implementation--and without wanting to do so--such initiatives might disturb the basis for the Economic Management and Planning System.

In that connection, he spoke of the total or partial donation of the economic and sociocultural incentives established by companies, the payment of bonuses, the involvement of regulations in wages, compensated rest periods and other fringe benefits provided for in our country's labor and social legislation.

He also urged not to promote the donation of a day's wages every month, the sale of goods made at the work centers, as well as alcoholic beverages and products made of obsolete or inferior-quality material, inasmuch as this interferes with the patriotic spirit of the economic contributions made to finance the MTTs.

8568

CSO: 3010/2222

## FAR GENERAL STAFF VANGUARD UNITS HONORED

Havana VERDE OLIVO in Spanish 5 Aug 82 p 55

[Article by Fonseca]

[Text] The vanguard units of the General Staff of the Ministry of the Revolutionary Armed Forces and of units directly under the ministry received the emblem which designates them as such after a sparkling military ceremony held in the historic Cacahual where lie the remains of Lt Gen Antonio Maceo y Grajales and of his aide-de-camp, Capt Francisco Gomez Toro.

The chiefs, officers, noncommissioned officers, sergeants, and soldiers who received the award were outstanding, during instruction year 1981-1982, in the maintenance of a high degree of combat readiness, in the care of technical equipment and weapons, as well as in the economical use of the resources which our FAR [Revolutionary Armed Forces] units have to raise the technical, military, political, and ideological level of the personnel.

The closing remarks at the ceremony at which the emblems were distributed to the vanguard units were made by Col Manuel Santana Ona, candidate member of the Party Central Committee, who stated that "these emblems or marks of distinction carry with them the recognition by all of our comrades in the Ministry of the Revolutionary Armed Forces and in the General Staff and by all of our people of the results you have achieved in the performance of your functional duties and in the commitments you have made in the socialist emulation program and in other tasks which have been assigned to you."

Later on he referred to the fact that in the past year the vanguard elements had been outstanding in their respective units in the practical implementation of the orders of the commander in chief, of the minister of the FAR, and of the agreements and resolutions that came out of the Second Congress of our Party. He added, "This is what made it possible to achieve better results in the political and combat readiness of the troops."

In concluding he said: "You are the advance elements of that mass of leaders, officers, noncommissioned officers, sergeants, and soldiers who, day by day, by dint of their performance of the tasks assigned to them, are ready to defend the achievements of our working and fighting people, maintaining a high degree of combat readiness in technical matters and in their weapons."

Attending the ceremony were Brig Gen Elio Avila Trujillo and FAR leaders and officers.

## MTT OFFICER TRAINING PROGRAM CEREMONY NOTED

Havana VERDE OLIVO in Spanish 5 Aug 82 p 56

[Article by Juvenal Balan]

[Text] A course for battalion commanders and senior staff of the Territorial Troops Militia [MTT] concluded with a graduation ceremony at the national school of this institution, put on by the Western Army.

Presiding over the ceremony were Brig Gen Rolando Kindelan Bles, adjutant to the president of the city of Havana; Col Lino Carreras--both members of the Central Committee--and other commanders, officers, and leaders of the party and mass organization of the city.

#### Ceremony

After the national flag was brought in and on behalf of the troop commander, Lt Col Eduardo Taurinan Yanez read the orders of the director of the school on the graduation of the students and of the commander of the army on the recognition to be given to the leading students and officers of this course.

The best students were Sublieutenants Ovidio D'Angulo Hernandez, Matilde Bravo Bambino, and Yolanda Cuellar Machado. Also recognized was the outstanding work of Majors Narciso Ricardo Fonseca and David Howell Alvarez and of Lt Manuel Luis Diaz Garcia.

All of the foregoing received from the members of the presiding group appropriate diplomas which accredited them as such.

Capt Roque Morales read the promotion order of the minister of the [Revolutionary Armed Forces], and a group of officers from the school pinned on the students their first insignia as officers in the Territorial Troops Militia.

Then the graduates, with one knee on the ground and with their left arms held high, swore to carry out the duties pertaining to the rank which they hold in the MTT, the regulations and provisions of law which govern their organization and functioning, the orders and missions which may be assigned to them, as well as ensuring proper maintenance of their weapons and jealously

guarding secret military information. The oath was read by 1st Lt Miranda Bartolome.

#### The Summary

The conclusion of the ceremony was in the hands of Col Lino Carreras Rodriguez, who pointed out that the understanding by the students of their revolutionary duty, their will to learn everything necessary for war, "together with the organizing effort, the initiative, and the personal example of their leaders, political workers, professors, support personnel, and the directors of the school have made possible the success represented by this graduation."

In another part of his speech he referred to the importance which transmitting what they have learned to the small units which they will command will have from now on. He referred to organizing instruction year 1982-1983 to provide even greater quality of instruction. Finally, he congratulated the graduates for their promotion to the beginning rank as and wished them success in their future tasks.

When the ceremony was concluded, the formations of militia members, led by the national flag, passed in review before the presiding group.

5170  
CSO: 3010/2207

## U.S. FOREIGN, DOMESTIC POLICIES CRITICIZED

## Support for El Salvador

Havana GRANMA in Spanish 29 Jul 82 p 8

[Commentary by Juan Marrero]

[Text] During the last year, the Reagan administration has been encountering serious resistance in the U.S. Congress concerning its plans to shore up the genocidal Salvadoran regime military and economically. A growing number of members of Congress are showing fears about increased United States involvement in the explosive, complex situation in Central America. As a result, they have conditioned approval of programs for aid to El Salvador on the human rights situation in that country. In short, they have required Reagan to give a semiannual report to Congress as a condition of continued financial and military aid to El Salvador. Reagan gave his first report in January and certified that the Salvadoran junta then in power was making "a concerted, meaningful effort to respect internationally recognized human rights." Over 50 members of Congress considered the certification a farce, an affront, and a disgrace. History is repeating itself now. In his second report to Congress, while seeking approval of an additional \$366 million for El Salvador, Reagan says, with astonishing calm, that "there is progress in the human rights policy" in El Salvador. Obviously, to think that Reagan would be capable of admitting that the human rights situation in El Salvador is worsening daily is like trying to cover the sun with a finger. To do it would unquestionably be to condemn his own Yankee imperialist government for the more than 34,000 murders that have taken place in El Salvador since October 1979. It is well known that several thousand of them are the responsibility of the Reagan administration itself, which has sponsored, encouraged, and supported the genocide committed against the Salvadoran people. Between January and June of this year alone--according to a recent report by Legal Aid of El Salvador, an institution connected with the Catholic Church--over 3,000 civilians were murdered in that Central American country. Who is to blame for those crimes? We shouldn't think it is only the groups removed from power in the electoral farce of 28 March, or D'Aubuisson's and Garcia's people, who are now the ones cutting up the cake. The chief guilty party is the Yankee imperialists, particularly the Reagan administration, with its aggressive, interventionist policy. The Yankee imperialists have initiated the training of 600 Salvadoran officers and 1,500 soldiers at Fort Bragg and Fort Benning for repression of the people. They have stationed dozens of military advisers at the genocidal

Army's posts to teach the criminal methods used in Vietnam. They have arranged for the shipment of airplanes and helicopters, napalm and chemical weapons, cannons and modern rifles to the Salvadoran armed forces so that they can carry out their extermination operations. In an effort to legalize a repressive regime, they encouraged and promoted the March elections that brought the fascist Roberto D'Aubuisson, coordinator of the death squads and at present president of the Constituent Assembly, to power. By devoting increasingly large sums to military aid they have only succeeded in heightening the cruelty of the Salvadoran military. In his latest certification to Congress, primarily based on a secret visit made by Thomas Enders and Elliot Abrams--two gems!--to El Salvador last week, Reagan says that there has been a decline in political murders. One more lie. We wonder whether the 20 Christian Democrat mayors and politicians murdered at the time of the March 28 elections are evidence that political terrorism has risen. What is clear once again is that, rather than devote its efforts to finding a negotiated solution to the Central American problem, the Reagan administration insists on a military solution. It forgets what the NEW YORK TIMES wrote a few months ago: "For every civilian the Salvadoran Army kills, at least 25 sympathizers with the guerrillas arise." On 5 August, the Congress in Washington will render its decision about Reagan's latest certification. In the leading cities in the United States (Washington, San Francisco, Los Angeles, Chicago, etc.), the American people have already spoken, protesting in the streets against this new brazen mockery of U.S. and world public opinion.

#### New Role for Honduras

Havana GRANMA in Spanish 30 Jul 82 p 6

[Commentary by Juan Marrero]

[Text] For some time, people have known about the Yankee imperialists' plans to use the Honduran Army as its policeman in Central America, especially since the Sandinist victory and the intensification of the armed struggle in El Salvador. Honduras' geographical position has turned it into a vital element in the Yankee imperialists' effort to destabilize the revolutionary process in Nicaragua and wipe out the revolutionary movement in El Salvador. Fidel referred to this on 26 July in Bayamo, when he offered an overview of imperialist aggression throughout the world. "In Central America, we see it in their growing support of the genocidal government in El Salvador, the increased arms shipments, and the use of the Honduran Army--the Salvadoran Army not being enough--against the patriotic forces . . . In Nicaragua, we see how the imperialists are openly organizing the counterrevolution and the destabilization campaign, using Honduran territory for it, where they have organized and equipped thousands of former Somoza National Guardsmen and other mercenaries to carry out more and more invasions of Nicaraguan territory." For a little over 2 years, the United States has taken significant steps to rearm and train the Honduran Army, while Tegucigalpa has become the Central American operations center for the CIA and the Pentagon. Yankee military aid for Honduras has been growing since 1980. These figures are revealing: \$3.6 million in 1980; \$8.2 million in 1981; \$15 million in 1982, plus Reagan's recent commitment to President Suazo Cordoba to give him additional aid totaling \$17 million. In short, what the WASHINGTON POST said in May of last year--that Honduras was going to become the United States' third military client in the region, after El Salvador and Colombia--is becoming a reality. The sums

given to Honduras, the poorest country in Central America, have not been for hospitals, schools, or factories, but so that the Honduran Army will have modern UH-1H (Huey) helicopters, A-37 airplanes, howitzers, grenade launchers, patrol boats, mortars, M-16 rifles, ammunition and communications equipment for military use. The United States has replaced nearly all the Honduran Army's armament, and, moreover, it has given preference to the training of its soldiers. Dozens of Yankee military advisers visit Honduran Army posts performing such work. Moreover, separately from that, dozens of Honduran Army officers have been given training in recent months at Yankee bases in the Canal Zone and the United States. It is also known that Washington's military aid to Honduras includes modernization of several airports and adaptation of them so that they can serve the U.S. Army as military bases. This has been confirmed by the Pentagon chief himself, Caspar Weinberger, to Congressional committees in Washington. Why this accelerated militarization of Honduras? Why does a country that daily calls itself "essentially peaceful" and is being threatened by no one allow itself to be slowly dragged by the Yankee imperialists into military adventures against Nicaragua and the Salvadoran revolutionary movement? These actions by pro-imperialist Honduran Army officers, who are following CIA and Pentagon orders, are extremely dangerous. As some observers have remarked, they are endangering the budding "democratization" of Honduras itself, where Suazo Cordoba recently became the first constitutional president in the last decade. They are also endangering all the efforts being made by numerous governments, organizations, and political figures to find a negotiated solution to the Central American problem.

#### U.S. Poverty Increasing

Havana GRANMA in Spanish 3 Aug 82 p 6

[Commentary by Juan Marrero]

[Text] A few weeks ago, the MIAMI HERALD published a cartoon that showed a sad reality in the United States: A recent university graduate in cap and gown, diploma in hand, stands in a line, along with various workers, black and white, in front of an office to seek employment. The cartoon accompanied an article that predicted that, because of the serious economic and social situation, the summer of 1982 could be hotter in the United States. The article recalled "the nights of fire, shots, and death" that took place in previous summers in Newark, Harlem, Detroit, Watts, and other places in the United States, when unemployment figures were below the current 10 million, the highest in the last 30 years, and before the situation for millions more had been aggravated by the failure of Reagan's economic policy, which has led, on the one hand, to an economic paralysis that is reflected by the serious crisis afflicting such key industrial sectors as steel and automobiles, and, on the other, to an increase in the number of poor people in a single year. In 1981, over 2.2 million North Americans saw their incomes fall below the "poverty line" owing to lack of work, the economic paralysis, inflation, and the cuts in federal aid ordered by the Reagan administration. Thus the MIAMI HERALD said: "Reagan and his people seem totally unaware of the dangerous country they are creating." The daily pointed out that 3.4 million young people under the age of 20 are about to inundate the job market, and for many of them there will be no work. "They will wander through America's cities without money and with nothing to do," it said further. The HERALD warned that as a result, the summer could be still hotter in U.S. cities; and

the article expressed concern that suppression of unrest would be limited because "the national economic crisis has resulted in major reductions of police forces." New York has 10,000 fewer police officers than it did during the 1960's; in Boston, of 2,179 officers employed in 1979 only 1,775 remain today, and there have been similar reduction in other cities. Those who have not suffered reductions are those ruling in the White House. What they are doing is very much in contrast with austerity. They enjoy life fully, as if there were no recession or crisis. In the same issue of the HERALD as the one speaking of the danger of a hotter summer, there is an item saying that the trip by Reagan and his entourage to Paris, Rome, London, Bonn, and West Berlin cost over \$12 million. Over 300 U.S. officials, Secret Service agents, and even Nancy Reagan's hairdresser traveled through Europe, and, of course, they stayed at hotels whose rooms cost between \$120 and \$250 a day. That in addition to parties. With such spectacles, one does not have to be a prophet to warn that not only could the summer be hotter, but winter may be, too.

9085  
CSO: 3010/2199

## CONSTRUCTION TROOPS AWARDED FOR POLITICAL WORK

Havana VERDE OLIVO in Spanish 4 Aug 82 p 55

[Article by Brizuela]

[Text] The graduation of the largest class of party members attending classes in the Party Education System was held in the Construction and Troop Housing section, celebrating the 29th anniversary of 26 July [the abortive uprising led by Castro in Santiago de Cuba in 1953].

Capt Cristobal Acosta, in making a report on the summary of the classes, stated that by the end of the second year of the 5-year period 1981 1985 35.2 percent of the party membership will have passed through one of the three levels of the system, which makes it possible to extend congratulations in advance for implementing the directive of the minister of the FAR [Revolutionary Armed Forces].

In the course of the ceremony Professors Donato Figueral Gancedo, Rene Ayala Gil, and Maj (Retired) Carlos Sotolongo Urra received diplomas of recognition for their outstanding work. Also receiving diplomas of recognition were the following students: noncommissioned officers Domingo Mesa Cruz, Berta Malagon Martinez, and Tomas R Leon Escobar. The most outstanding class director was Capt Marcos Canizares Gonzalez.

In the name of the graduates Comrade Berta Malagon spoke, expressing in her speech the commitment of the graduates to translate the technical knowledge acquired into practical, effective work in the construction of socialism and in carrying out their tasks in production and defense.

Presiding over the ceremony were Lt Col Rafael Morales Velazquez, appearing on behalf of the minister of the FAR for the Construction and Troop Housing section; Col Ciraldo Thaureaux Armesto, chief of the Political Section of CAT [Construction and Troop Housing section]; and other officers and chiefs of enterprises and regional political sections.

In his remarks closing the ceremony Col Giraldo Thaureaux, after congratulating the most outstanding graduates, professors, and students, stated the following. Taking into account the progress made, we must and can make sure that in the course of the next instruction year 50 percent of our party

members will have attended one of the classes set out in the Party Education Guide and in that way comply with the provisions of the directive of the minister of the FAR and the agreement reached at the Second Congress of the Party. May the class to be held in the same year as the 30th anniversary of the attack on Moncada Barracks, which we will celebrate next year, be a worthy act of homage to the communists of the Construction and Troop Housing section in such a significant year.

5170

CSO: 3010/2207

## SNTC-FAR DISCUSSES IDEOLOGICAL EDUCATION

Havana VERDE OLIVO in Spanish 5 Aug 82 p 54

[Article by Hilario Pino]

[Text] The First National Extension Seminar of the SNTC-FAR [National Trade Union of Civilian Workers of the Revolutionary Armed Forces] was held recently at the "Carlos J Finlay" Military Hospital, attended by trade union leaders of the Sectoral Committees of the union. The event tackled a number of important issues inherent in this important area of trade union work.

In the central report presented to the meeting comrade Aurelio Castiello, member of the SNTC-Far Secretariat, referred in a critical vein to the problems which still persist in the work which the trade union organizations are performing in the Secretariat of Extension and Solidarity, as well as to the slight attention paid to the Secretariat in spite of the important role which it has. In this respect, in one part of the report he stated that "this is due, in large part, to the lack of creativity which we have shown up to now, from the national to the basic trade union level. Despite the broad role which the secretariat has, a formalistic attitude has prevailed, and the old bosses of yesteryear have not found the strength to break with the past and open a new path which would show the sure and necessary direction to go."

In another part of his report he points out that "the political training of the workers still suffers from deficiencies which we must begin to resolve as soon as possible."

Further on in the report he states that with the help of the Central Political Directorate of the FAR [Revolutionary Armed Forces] work is going forward on the preparation of instruction materials for the next "Instruction Year" and that methodological guides will be prepared for the directors of political classes.

Other aspects such as the situation affecting the work of activists in the field of history and the lack of objectivity in making the campaign for the economic education of the workers more adequate in some centers, along with other matters, were considered in the report. Reference was also made to

the achievements which in general the Trade Union of Civilian Workers of the FAR has realized, which have allowed it "to place itself in a conspicuous position within the trade union movement in the country."

The following speaker, Jesus Escandell, member of the Executive Secretariat of the National Committee of the CTC [Central Organization of Cuban Trade Unions] referred to the situation which the study circles (political classes) reflect in the country's trade union movement. In that sense he called the situation involving trade union work truly critical. This was the reason why recently Comrade Roberto Velga, secretary general of the CTC, sent a letter to all trade unions, urging them to take action in this connection, given the great importance of that activity in the ideological development of our workers. He also stated that the civilian workers of the FAR are doing better work in the study circles than the rest of the trade unions.

In another part of his speech Escandell stated that, "we have to attach the same importance to the study circles, to the political development of the workers which is displayed, for example, to the battle for the ninth grade of education. Everywhere that a trade union leader speaks he must refer to the study circles; he must check periodically to see how this kind of activity is getting along." He emphasized, "We are confident that this situation will improve."

In the course of the seminar there were speeches in which cases were discussed of centers maintained by the Trade Union of Civilian Workers of the FAR where political classes are held monthly and with good attendance in many of them. Rafael Estevez, extension secretary of the Trade Union Bureau of Finlay Hospital, read a paper in which the experiences of that center in the development of political classes were described in detailed fashion.

In the course of the seminar lectures were given on the subjects of Agitation and Propaganda, under the direction of Lt Col Angel Belaunde, from the FAR Central Political Directorate. Lt Mercedes Cardoso dealt with the role of the directors in the study circles of the trade union movement. Comrade Victor Garcia, chief of correspondents in the western part of the city of Havana, spoke of the activities of the worker correspondents.

Also deserving of the great attention shown by the trade union leaders present at the Seminar was the lecture given by Lt Col Jose H Herrera, chief of the FAR Military History Studies Center, entitled, "On the Activism of History: Role of the Trade Union."

Presiding over this event were Jesus Escandell, member of the Executive Secretariat of the CTS; Jose Antonio Roque, secretary general of the ANTC-FAR; and Lt Col Eustaquio Utin, chief of section of the FAR Central Political Directorate.

5170  
CSO: 3010/2207

## ACTIVITIES OF HIGHER INSTITUTES FOR MEDICINE NOTED

## Villa Clara Institute Graduation

Havana GRANMA in Spanish 29 Jul 82 p 3

[Article by Aldo Isidron del Valle]

[Text] Santa Clara--The 29th Anniversary of National Rebellion Day was the date chosen to hold the graduation ceremony of the Higher Institute for Medical Sciences [ISCM] of Villa Clara; the ceremony was presided over by Raul Rodriguez, first secretary of the Party Provincial Committee.

A total of 114 students from Villa Clara, Cienfuegos and Sancti Spiritus received their degree from the ISCM, increasing to 1,219 the total number of professionals trained at that institute since its founding 14 years ago.

Dr Serafin Ruiz de Zarate, rector of the center, gave a report on the completed course. Aliver Martin Garcia, the most outstanding student in the graduating class, read the oath of the graduates, and Miguel Cruz Perez, second secretary of the party in the Santa Clara municipality, gave the graduation speech, concluding with congratulations to the new professionals "who, from now on," he said, "are beginning a new life as workers in a field to which they will be totally dedicated."

## Holguin Graduates

Havana GRANMA in Spanish 29 Jul 82 p 3

[Article by Alexis Rojas Aguilera]

[Text] Holguin--The number of doctors trained in 16 years at this city's medical institute has risen to 780, including 102 recent graduates.

At the graduation ceremony, held at the amphitheater of the Vladimir Ilyich Lenin teaching hospital, it was announced that 78 are from Holguin and 24 from Las Tunas, representing 98 percent promotion from the course.

Dr Yolanda Cedeno Almaguer, who is presently carrying out internationalist missions in Nicaragua together with six graduates from here, was the most outstanding student of the Holguin College of Medical Sciences. Other outstanding students were Joaquin Santiesteban, Arminda Gonzalez, Maria Teresa Llopiz, Arniel Labrada, Angel Perez and Sergio Bermudez.

In giving the graduation speech, Dr Aurelio Armengol, secretary of the Lenin party committee and member of the Executive Bureau in the province, emphasized that "the fact that approximately 800 doctors have already graduated in the province since the triumph of the revolution illustrates the marvelous reality of this territory."

#### First Sancti Spiritus Graduates

Havana GRANMA in Spanish 29 Jul 82 p 3

[Text] Sancti Spiritus--NATIONAL NEWS AGENCY--The first 18 graduates in medicine from the educational institute of this province received their degrees at a ceremony presided over by Joaquin Bernal, alternate member of the Central Committee and first secretary of the party in this territory.

Among the graduates are two students who are presently carrying out internationalist missions in the friendly nation of Nicaragua and who received their degrees symbolically.

This medical institute, affiliated with Villa Clara's ISCM, operated in this curriculum in Sancti Spiritus with students of the 6th year of this course and, in the near future, it will be expanded to include students from Havana City and Cienfuegos.

Magdalena Girado Espinosa, the best student in the course, read the oath of the graduates which confirmed the pledge to make every effort to see that Cuba is a medical power and reiterated the decision to carry out missions wherever necessary.

In closing the ceremony, the first secretary of the party in Sancti Spiritus emphasized that graduation is a memorable event which will serve as the first step in the effort of the educational sector to achieve higher levels of success.

#### Camaguey Medical Institute Graduates

Havana GRANMA in Spanish 11 Aug 82 p 3

[Article by Ariel Garcia Suarez]

[Text] Camaguey--The Carlos J Finlay Higher Institute for Medical Sciences (ISCM), of this city, has trained 545 young professionals, including its latest graduating class: 491 doctors and 54 dentists.

#### Prior History

The Carlos J Finlay ISCM acquired its official status as such in 1981, since, until then, it operated as a branch of the University of Camaguey in the role of College of Medical Sciences, beginning with 11 students in their 4th year of medicine and a small group of professors in 1968.

At that time, the first years of medicine were spent at the University of Oriente which, although a valid means, could not fail to give problems of a general nature. In 1970, the situation changed to the effect that Camaguey's College of Medical Sciences could accept 3d year students and higher, and material conditions were created to provide for the medical career from beginning to end, an aspiration which was realized in 1975 as the first step toward the college's eventual incorporation as an institute subordinate to the Ministry of Higher Education.

#### Joining the Present and the Future

In the constant struggle for the welfare of the people, a vanguard position is occupied by the men and women who dedicate themselves with love and self-denial to the humanitarian practice of medicine, ready to offer their services in any part of the national territory or country as required by the revolution. That is the type of professional trained by the Camaguey ISCM as a foundation to enable our country to become a medical power.

In the coming school year, the enrollment will increase to 400 students and arrangements will be made to confer a degree in nursing through classes for workers extending over a period of 4 years.

#### The Facilities

The Carlos J Finlay ISCM is located in the very heart of the province's most important welfare complex, the site of various specialized hospitals, polyclinics, polytechnical institutions and other facilities in the medical sector, all of which make it possible for the students to become familiar with clinical practices. That is the environment in which the first three of five buildings covered by current investments are being erected, and those investments are being used to the maximum in this preliminary phase.

Generally speaking, the project is 35 percent completed, although efforts with regard to construction are being directed toward the completion of new facilities by September to house students now temporarily lodged in quarters which are a part of the University of Camaguey.

#### Students and Professors

The establishment of the Carlos J Finaly Medical Sciences Detachment in Camaguey Province completed its first phase with the acceptance of somewhat more than 200 12th-grade youths, in which the committee created at the ISCM played a decisive role.

In addition, the Mario Munoz Student Vanguard was created by the institute, and this is expected to promote a deeper relation with all the students. And, more recently, a military professorship was established there.

The 207 teachers with degrees include those of the Ciego de Avila educational area, which is presently absorbing medical students in the 3d year and higher in that province.

Brotherly Soviet assistance is being given there with the counsel of three high-level professors in physiology, anatomy and biochemistry; they are serving to raise the quality of the scientific, pedagogic and research sectors and are simultaneously directing the work of the first doctors in medical science to be trained by the ISCM. A cooperative agreement was also signed with the institute's counterpart in Rostov on Don which will permit the advancement of the Camaguey professors and provide for the receipt of the most advanced scientific information.

8568

CSO: 3010/2223

## BRIEFS

ACCOUNTING GRADUATES--Havana's Polytechnic Center of Economy graduated 800 medium-level technicians and qualified workers during a solemn ceremony held at the Lazaro Pena Theater of the national CTC [Central Organization of Cuban Trade Unions]. The medium-level technicians specialized in accounting, planning, statistics, economics and finance, and the qualified workers specialized in secretarial and office-assistance jobs. With this promotion, the 1981-1982 course has resulted in the training of 581 students in the regular course and 219 workers. The ceremony was presided over by Jorge Morell, head of the department of science, culture and teaching centers of the party in the municipality of Cerro, and Ernesto Garcia, director of the center, among others. [Article by Fernando Davalos] [Text] [Havana GRANMA in Spanish 29 Jul 82 p 3] 8568

CSO: 3010/2222

## BRIEFS

UK AID--Britain announced an additional million dollars in aid for phase three of Dominica's ongoing tree crop diversification programme. A statement from the British High Commission here said this would bring Britain's contribution to the scheme to EC\$4 million. The project provides for some 1,500 acres of fruit tree crops to be established over five years. The programme offers a high return agricultural crop, bananas, with better market prospects and involves crops which are ecologically better suited to the steeper areas of the island, the High Commission said. Britain which has been assisting the Government of Dominica with this programme, provided some three million since the project began in 1978. The High Commission also announced a grant of EC\$647,500 to the British Government's Windward Islands Banana Development Programme (BDP), now in its fifth and final year. The money will be used for extension and training in the final year of the programme. (CANA) [Text] [Bridgetown SUNDAY SUN in English 8 Aug 82 p 2]

BUSINESSMEN'S MOVEMENT--Roseau, Dominica, Thursday, (CANA)--The general membership of the Dominica Association of Industry and Commerce (DAIC) has passed a resolution accepting in principle efforts aimed at forming a private sector association which would encompass the two existing businessmen's organisations here. According to reports coming out of the associations annual general meeting last night, the resolution follows the recommendations of a four member working committee, whose task was "to examine the possibility of some form of merger" of the DAIC and the Dominica Employers Confederation. The committee recommended that the proposed association have a single board of management, comprising of at least 12 members headed by a president. It said that the board should be divided into two working committees--one to handle industrial relations and training and the other to handle economic development. [Text] [Bridgetown ADVOCATE-NEWS in English 6 Aug 82 p 3]

CSO: 3025/421

## MORE FINANCING TO COMPLETE AIRPORT SOUGHT IN EUROPE

Bridgetown ADVOCATE-NEWS in English 7 Aug 82 p 3

[Text]

ST. GEORGES, Grenada, Friday (CANA) — Grenada's Peoples Revolutionary Government (PRG) has committed itself to raising a loan in Europe to help complete and equip the multi-million dollar international airport now under construction here.

The latest official Gazette here said the PRG had arranged to borrow 750 000 pounds sterling to assist in financing the down-payment on a 6.6 million pound contract signed in May with the British firm of Plessey Airports Ltd, which is to supply goods and services for the airport.

This loan will come from the Bank of Nova Scotia group and the National Westminster Bank group and will be drawn by December 31 next. It must be repaid not later than June 30, 1989.

Setting out the terms of the loan, the Gazette says, under

the head of 'Interest Rate and Margin', "two per cent per annum over three or six months under inter bank offer rate calculated at the arithmetic average at which matching deposits are offered to the lending banks, payable quarterly."

The "commitment fee" is "three-eights per cent per annum on undrawn amount of loan facility from date of acceptance to the end of the drawdown period, payable on signing the loan agreement and thereafter and quarterly in arrears and on the drawdown date."

Other charges are a "front end fee of two per cent flat and an 'agency fee' of US\$750 per annum."

Informed sources said the Plessey contract covers the bulk of the equipment required for the airport and includes items from "felt pens to control tower radar."

CSO: 3025/421

## BRIEFS

LOAN FOR FISHING--St Georges Grenada, Saturday (CANA)--The People's Revolutionary Government has disclosed plans to borrow from the International Fund for Agricultural Development (IFAD) some \$4.5 million to be used for the development of the island's fishing industry. [Text] [Bridgetown SUNDAY ADVOCATE-NEWS in English 8 Aug 82 p 3]

MEXICAN TECHNICAL TEAM--St Georges--(GIS)--A three-man technical team from Mexico visited Grenada recently to assist in designing an integrated agroindustrial planning system. Their work in Grenada included an analysis of the current situation, perspectives of primary production and agroindustrialisation and its relation to the country's socioeconomic context technical and operational assistance and personnel training. Another aspect of the team's visit was the exchange of information in regard to agroindustrial processes of strategic importance to Grenada with particular emphasis on the design of feasibility study for cocoa processing. Activities of the team included visits to plants, farms and plantations to collect first hand information, and the holding of workshops to exchange information with their Grenadian counterparts. They will prepare a preliminary document on the agroindustrial planning system together with a specific document containing the results of the feasibility analysis reached and a general report on the main activities and the result of their mission. [Text] Georgetown GUYANA CHRONICLE in English 14 Aug 82 p 5]

CSO: 3025/421

## SHEARER LEADS BACK-TO-WORK SETTLEMENT AT JAMINTEL

Port-of-Spain TRINIDAD GUARDIAN in English 10 Aug 82 p 5

[Text] Kingston, Mon., (CANA)--Middle management and supervisory staffers at the Jamaica International Telecommunications Company (Jamintel) were back at work today, paving the way for a full work resumption tomorrow by 250 employees who were on strike for a month.

Middle managers had refused to cross the picket line when workers represented by the National Workers Union (NWU) walked off the job on July 9, over a pay dispute.

The strike disrupted Jamaica's communications links with the rest of the world.

A back-to-work formula was reached on Friday night following behind-the-scene negotiations between the union and Jamaica's deputy Prime Minister, Hugh Shearer who had begun negotiation efforts early in the week.

The agreement calls for a return to local level bargaining between the company and the union and it is expected that there will be a formal request to the Industrial Disputes Tribunal (IDT) that the matter be withdrawn from its consideration, union officials said.

The NWU had ordered the strike after the Minister of the Public Service J.A.G. Smith, lowered the pay offer made by the company's management for a new two-year wage contract.

The Jamintel management had offered a 15 per cent increase each year of the two-year contract, which the union refused, and Minister Smith changed the offer to 15 per cent in the first year and 15.5 per cent in the second.

When the union rejected that offer, Mr Smith, in his capacity as Minister of Labour, referred the matter to the IDT, which the NWU charged was an attempt to renege on the government's declared policy of bargaining based on the ability to pay.

The Jamintel employees had ignored an IDT back-to-work order issued soon after they went on strike and several were last week served with summonses to appear before a magistrate on August 23.

An NWU spokesman said the work resumption was based on assurances received during Friday nights meeting and "the personal integrity of Hugh Shearer, the man."

Earlier this year, when the bauxite industry was closed by a strike Mr Shearer entered the negotiations and engineered the removal of the matter from the IDT before there was a settlement.

It was a similar action in this case by the deputy Prime Minister, who is also the president on leave of the Bustamante Industrial Trade Union (BITU).

CSO: 3025/422

## COURT SUMMONSES ISSUED TO STRIKING JAMINTEL WORKERS

Bridgetown ADVOCATE-NEWS in English 6 Aug 82 p 3

[Text]

**KINGSTON, Jamaica.** Thursday, (CANA) — Striking employees of the state-owned Jamaica International Telecommunications Company — JAMINTEL — are to be taken to court for defying an order by the Industrial Disputes Tribunal to end their near month long industrial action, Police said today.

The strike has disrupted Jamaica's contacts with the outside world.

Police said they had begun serving summonses on the workers to appear before a Magistrates Court on August 23 for ignoring the IDT order issued shortly after the strike started on July 9.

It was not clear whether all of the estimated 250 strikers would be taken before the courts, but a small batch of strikers who picketed the Jamintel headquarters building yesterday were handed their summonses on the spot.

If convicted each employee can be fined a maximum of J\$100 (J\$1 equal 56 cents U.S.) plus J\$10 for each day after conviction that they continue to defy the IDT order.

Meanwhile the Jamaica Daily News has reported that the National Workers Union, which represents the strikers, is optimistic of a breakthrough in the pay dispute today.

Informed sources said Opposition Leader Michael Manley, an ex-trade union leader and an adviser to the

NWU, had initiated to level contacts in the government, with a view to resolving the issue.

**ROSEAU, Dominica.** Thursday, (CANA) — The Dominica Government says Labour Minister Brian Alleyne will be looking at the housing and other conditions that Dominican farm labour workers face during his coming visit to Canada.

A Government statement said Mr. Alleyne, who leaves tomorrow, would be part of a team of government ministers and officials from Eastern Caribbean countries who have been invited to Canada to observe the Canadian farm labour programme in operation.

It said that the team would focus their attention on housing and other conditions experienced by Caribbean nationals under the programme.

Every year Caribbean labourers are selected to pick fruits on farms in the United States and Canada.

The Government statement said that Mr. Alleyne would be in Canada for 10 days and would afterwards travel to the United States for a month under the United States international visitors programme.

The statement also said Mr. Alleyne would look at a number of United States programmes and organisations which could be beneficial to Dominica.

## BAUXITE PRODUCTION FOR FIRST HALF OF '82 DOWN 27 PERCENT

Bridgetown ADVOCATE-NEWS in English 7 Aug 82 p 3

[Text]

KINGSTON, Jamaica, Friday (CANA) — Jamaica's bauxite production for the first half of this year dropped by nearly 27 per cent, compared with the same period in 1981, figures released by the Jamaica Bauxite Institute (JBI) showed.

The JBI said output from January to June accounted to 4 515 132 tonnes, a decline of 26.7 per cent over the same period last year. Total output so far includes ore shipped abroad and the bauxite equivalent of alumina refined here.

There were also significant declines in crude bauxite and alumina exports during the period under review, the JBI statistics showed.

Crude bauxite exports, including amounts from 1.6 million tonnes which the United States acquired in a barter sale arrangement for its strategic mineral stockpile, reached 2 355 189 tonnes between January and June, 20.9 per cent less than the same months in 1981.

Alumina exports dived 31.6 per cent to 880 942 tonnes. The JBI said total bauxite

production has fallen to 9 million tonnes for 1982, 22.4 per cent lower than in 1981.

However, that projection does not take in the possibility of a further U.S. stockpile purchase, the chances of which have been raised by the government here.

Falling bauxite production here which has already resulted in hundreds of Jamaicans losing their jobs, stems from a drop in demand for the commodity on the world market. Bauxite is Jamaica's chief foreign exchange earner.

CSO: 3025/422

## BRODERICK: FARMERS OWE GOVERNMENT ALMOST \$36 MILLION

Bridgetown SUNDAY ADVOCATE-NEWS in English 8 Aug 82 p 3

[Text]

**KINGSTON** Jamaica Saturday (CANA) — Jamaica farmers owe the government almost \$36 million, according to the island's Agriculture Minister, Percival Broderick.

The minister told the annual meeting of the Jamaica Agricultural Society that farmers debts outstanding amounted to \$35 799 719 under a number of schemes created over the years to help them, and the government had been unable to recover it.

Giving a breakdown on the debts, Mr. Broderick said that under a crop line programme, farmers owed \$20.3 million. Under project land lease, the debt was \$8.9 million, under the development land settlement scheme, a sum of \$2.9 million was owed, under the farmers development programme, \$900 000; under the pioneer farms programme, a total of \$990 000; under the tank

building programme, the debt was \$1 032 million, and under the tractor pool, a total sum of \$147 000 was owing.

Mr. Broderick said that one reason why farmers in Jamaica were in such debt was that credit took so long to be approved. By the time the farmer got the money he could no longer use it, and he usually just put it in his pocket and forgot about it.

Another reason was that many of those who owed money were not bona fide farmers, yet the real farmers got the blame for it.

The Agriculture Minister outlined a plan to overhaul 42 of the island's 112 co-operative banks spread across Jamaica.

Each is to be serviced by a credit recovery officer, who will be appointed to supervise the disbursement of loans to farmers.

CSO: 3025/422

## PANAMERICAN RAILWAY SAID TO BE IN DISREPAIR

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 30 Jul 82 pp 11, 12

[Text] In spite of reported derailments, interruptions in travel due to the collapse of bridges and dangerous landslides, the director general of the national railroads of Mexico is making no effort to order repairs on the Panamerican railroad running from Mexico City to Tapachula, Chiapas.

The above is a news leak from the office of the superintendent himself which is located in this city and which has declined to provide further details on the subject, claiming that there is an office in Mexico City for that purpose.

One thing that is certain is that the Panamerican railroad track is in a very bad state of disrepair. We were able to verify that there are hundreds of rotted ties, large sections of track in terrible condition, bridges about to collapse and dangerous landslides in several stretches that could cause derailments similar to those that have been reported in which fortunately, no lives were lost.

It was also revealed that on orders from the head office, the "precautions," as the warning signals are called, have been shut down, which makes the section from Tonala to Acapetahua extremely dangerous and which therefore has resulted in delays since the engineers who are aware of the problem prefer to arrive late rather than not at all.

Hopefully, high-ranking government officials will be informed of the situation and will work out plans with the national railroads of Mexico regarding maintenance on this important service.

9787

CSO: 3010/2174

## IMPEDIMENTS TO SELF-SUFFICIENCY IN FOODS ENUMERATED

Mexico City EXCELSIOR in Spanish 4 Aug 82 pp 4-A, 29-A

[Article by Angel Soriano]

[Text] The sharp decrease in high quality farmland, demographical pressures for arable land, erosion and aridity to which 80 percent of the Mexican soil is exposed, are the main obstacles to achieving self-sufficiency in foods and favor the emigration of farmers because of a lack of work, according to a report yesterday by agricultural researchers.

This information was presented by Dr Antonio Turrent Fernandez and Sabino Chavez Ruiz, the incoming and outgoing presidents of the Mexican Society for Soil Research during a brunch held to carry out a changeover in leadership and which was attended by the undersecretary for the Secretariat of Agriculture and Water Resources [SARH], Mario Highland Gomez, who was representing the head of the department, Francisco Merino Rabago.

Turrent Fernandez said that by the end of the century, there will be less than 1.5 hectares of farmland to feed each person, a figure which is comparable to that of Asia at the present time. He added that two-thirds of the land in rainy areas is located on slopes which are obviously erosive with a high risk for aridity, a fact which presents a serious challenge to scientists.

He indicated that another type of obstacle to self-sufficiency concerns the chemistry, fertility and biology of the soil which constitute complex problems that must be resolved; otherwise, the future of the country will be threatened by a reduction in arable regions and by the urgent necessity of feeding a steadily growing population.

The current director urged his associates to increase their efforts to find a solution to the multiple problems and to make the organization a respectable institution based on research and concrete proposals to be presented to the appropriate officials. "Even though our organization enjoys a rich heritage of almost 20 years of productive and uninterrupted activity, there is still much to be accomplished in order to achieve the stature demanded of us by circumstances in the country," he stated.

In evaluating the achievements for the 1980-1981 period, Dr Sabino Chavez proposed that the 63 agricultural institutions of higher learning in the country be given the responsibility of conducting agricultural research and experimentation in the states, and for transmitting technology to the farmer under the regulatory direction of the National Institute of Agricultural Investigation and of the provisional districts.

He also requested a study on the feasibility of decentralizing the administration of the Mexican Corn Institute, essentially establishing a fertilization program with advanced technology, since the scarcity or abundance of corn in the country is a reflection of discontent or social tranquility.

He also suggested that a mandatory policy be adopted in the irrigation districts for the required use of fertilizer, so that every hectare planted is a fertilized one.

He said that during his administration, important events had taken place, such as round table discussions and conferences at which participants had studied the situation realistically and had offered viable solutions to the problems.

He reminded the audience that during the 14th Conference which was held in San Luis Potosi, he had warned of the danger inherent in the fact that 80 percent of the land in the country is susceptible to erosion and aridity, and therefore proposed the creation of a center for learning, training and dissemination for the education, at the college degree level, of technical experts in the classification, conservation and control of soil aridity.

He indicated that it is the only way to control the advance of soil erosion in the country.

9787

CSO: 3010/2174

## OFFICIAL INDICATES DECLINE IN FERTILITY RATE

Mexico City EXCELSIOR in Spanish 16 Aug 82 p 17-A

[Text] Mexico is heading in a new demographical direction. A steady decrease is being noted in the fertility rate of the population according to a statement yesterday by Dr Francisco Alarcon Navarro, assistant director of family planning under the social security program. He also indicated that during the most recent 6-year period, expectations of the national plan for family planning have been exceeded.

By the end of the year, the estimated number of active users of the various methods of family planning under the Mexican Social Security Institute [IMSS] will be about 2.240 million, "almost 100,000 more than the figure projected by the national family planning program," said Alarcon Navarro.

He pointed out that the major impact of the program has been seen in the urban middle and working classes and in the social groups with the best living conditions in rural areas, where the population has begun to significantly change its reproductive patterns.

The IMSS official added that the main priority of the program is increasing the number of family planning services and broadening coverage in rural areas in order to ensure that everyone has an equal opportunity to exercise his constitutional right in making a decision in a free, responsible and informed manner about the number and spacing of children.

The national population council estimated last March that there were 5.1 million women who planned their families throughout the entire country and that of the total, 2.55 million of them were served by institutions in the public sector corresponding to the social security program in 80 percent of the cases.

He stressed that the above-mentioned program has been a quantitative and qualitative success. Examples of the latter are the involvement of the national culture in family planning as a socially accepted practice which serves as a basis for breaking through social inertia regarding high fertility; and integration of family planning services into regular health care activities for the population, especially those relating to mother and infant.

He also emphasized the increasingly widespread conviction regarding the social benefits and well-being of the population as byproducts of family planning, in the sense that although being fewer does not necessarily guarantee a better life, it is a factor related to improvement in the quality of life.

## LIMITATIONS ON FREEDOM OF PRESS DEPLORED

San Jose LA NACION in Spanish 21 Aug 82 [page number(s) not given]

[Editorial by Violeta Barrios de Chamorro: "Once Again the Horrible Nightmare"]

[Text] Every day that passes, freedom of the press is more restricted in our country, preventing us from reporting not only the daily happenings in our social, political and economic life but also forbidding us from expressing our own opinions, our own editorial comments and, of course, presenting and defending the ideals which served as a banner for LA PRENSA and the Nicaraguan people in overthrowing the Somoza dictatorship.

However, the extreme of this lack of freedom was reached in the case of the letter which His Holiness Pope John Paul II sent to the bishops of Nicaragua and which we were prevented from publishing on three consecutive occasions. And when we were finally given permission to publish it, they wanted to impose upon us the obligation of leading into the letter with a communique from the Directorate of Media which, in addition to being insulting to the Pontiff, was filled with lies.

For those reasons, LA PRENSA was not circulated on Monday, Wednesday and Friday--9, 11 and 12 August--as a formal protest and a mark of our unwillingness to submit to the arbitrary conditions which they wish to impose upon us and which, moreover, do violence to our religious sentiments.

In the face of such an attitude, the Sandinist government appeared to reconsider and thus LA PRENSA was allowed to be circulated on Friday, 13 August in the form dictated and demanded by our conscience.

Reflecting on these events, I could not help recalling when on 19 July 1979 I entered my fatherland at the head of the new national reconstruction government, accompanied by the goodwill, understanding and support of all the democratic countries of the world. I felt strong and satisfied at having succeeded in winning back the freedom lost during the Somoza dictatorship, thinking that now the longed-for freedoms of thought and the press and their necessary consequences, political pluralism and a mixed economy, would be established.

In that manner, I was fulfilling the steadfast aspirations of my husband, Pedro Joaquin Chamorro, for which he gave up his life. I thanked God for the opportunity he had given me. However, barely 3 years later, the Sandinist government, guided by totalitarian ideologies imported from other countries alien to our

history and culture, is attempting to maintain the concept that freedom of conscience is deviation or ideological warfare.

Thus, what is an undeniable and sacred right, consecrated by American wars of independence, they want to distort as merely petty interest and egotism, without wishing to admit the obvious truth, which has been confirmed a thousand times by history, that without freedom of the press there is no representative democracy and, worse yet, there is no distributive justice or equality among citizens; but on the contrary there is impunity, abuse, mediocrity and repression. By suppressing or stifling freedom of the press, the government is losing the most effective expedient of being objectively informed about errors that frequently fall through the cracks of the bureaucracy and the sectarianism which surrounds it.

Because of all that I have said, it is incongruous, to put it mildly, that officials of the government at international meetings dare to say that there is freedom of the press.

There is no reason whatever to change the libertarian ideals of the Nicaraguans by depriving them of the desire to be accurately informed through the various communications media about the different and natural currents existing in the country, about what is happening in the daily social sector and about the assorted ideologies adhered to by independent intellectuals.

To deny those rights would be the equivalent of condemning the Nicaraguan people to the role of mere, passive recipients of a single line.

As the wife of a journalist who loved freedom of the press, it was my lot to live through most of the 45 years of this hemisphere's bloodiest dynasty. Many of the current leaders had not even been born; and, therefore, they are not familiar with the brutal methods employed by Somoza, the censorships, imprisonments, exiles, confinements and torture and how, gradually, the concentration of power brought us Nicaraguans to inconceivable levels of repression.

However, I now feel that I am once again living through that horrible nightmare because, in addition to a love of freedom, my husband made me profoundly sensitive to all the activities of government that day after day undermine freedom.

At the beginning, when only freedom of the press was obstructed, it seemed that the only thing being lost was the privilege of being informed, the right to complain and protest. However, over the short term, due to the lack of freedom of expression, public power increased and was deformed; and the function of government, whose legitimate mission is to seek the common good of citizens without distinction as to class, party or religion, was distorted.

At that point, the second phase began, during which abuses multiplied; bloody deeds increased. Institutions sprouted in abundance. The muzzled people sobbed and moaned quietly, whispered about their difficulties and wound up regretting that they had permitted the right to protest to be taken away from them, even though they had the power and opportunity to exercise that right.

Too much blood has been spilled; too many years have been invested; and too many hopes were raised for us to allow our freedom, which belongs to us as a right, to be taken away from us, as Pedro repeatedly said.

Other peoples in other latitudes have fought to conquer one another and knew beforehand that at the end of the battle they would become vassals and slaves.

However, for us, our battle was fought with a deeper sense, which involved neither fratricide nor domination, nor even to be part of other foreign interests; instead, that battle was fought for more clear-cut, genuine, healthy and permanent reasons, namely at the end to secure our inalienable right to be free forever. "Fatherland and freedom."

8143  
CSO: 7010/19

## NEW TAXES PART OF CATO'S 1982-83 BUDGET UP \$17 MILLION

Port-of-Spain TRINIDAD GUARDIAN in English 14 Aug 82 p 5

[Text]

**KINGSTON, Fri., (Cana):**  
**ST VINCENT** Prime Minister and Minister of Finance Milton Cato yesterday presented his 1982/83 budget calling for expenditure of \$144.8 million — an increase of \$17 million over last year's.

Capital expenditure has been tagged at \$65 million, with \$79.8 million being allocated to recurrent spending.

Some \$79.8 million of the budget is expected to be raised through local revenue including new taxes announced by Mr Cato, the balance of \$65 million will be met by development and — grants and loans.

Unlike the two previous years when government granted relief from personal income tax, there were new indirect tax measures, estimated to realise some \$6.9 million dollars in revenue.

The measures include increases in airport landing fees, harbour dues, postal charges on letters and parcels, as well as the rental of shops of restaurants at the Arnos Vale airport, and a three per cent traders tax on gross taking.

The airport landing charges took immediate effect, but the new rates of rental for the airport shops and restaurants will not be felt before October 1. The new postal rates and the traders tax will come into effect September 1.

outlining the new tax measures, Prime Minister Cato said they were necessary in order to provide for increased salaries for public officers and because a

substantial portion of local revenue was needed for funding capital projects.

Mr Cato warned that the traders tax was not to be passed on to consumers and said government would be vigilant to ensure that it did not happen.

He announced plans to strengthen the Inland Revenue Department and the price control division to ensure that all traders complied with the regulations.

However, the traders tax in itself does contain some measures relief. The gross takings up to the first \$3,000 in every month will be exempt from the tax, and receipts on account of export sales will also be exempt in order to give incentive to manufacturers.

Provision has been made to give cabinet the power to approve exemptions where it will be in the best interest of the consumer.

In addition, the traders tax will be a deductible expenditure for income tax purposes.

The tax alone is expected to raise \$5.8 million in revenue, which according to Prime Minister Cato "will go a long way to providing for ourselves some of the social services which our country so badly needs."

The budget comes just about half way into the life of the ruling St Vincent Labour Party Government's second consecutive five year term in office, and two weeks after Mr Cato — warned Vincentians that the country's foreign exchange spending was nearing a danger point.

**END OF**

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**DATE FILMED**

Sept. 22, 1982